

RSPO PRINCIPLES & CRITERIA

PUBLIC SUMMARY REPORT

ANNUAL SURVEILLANCE ASSESSMENT 04

Malaysia
BATU LINTANG POM
KLK Berhad
2017

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RSPO Membership Number	8-0025-06-000-00
RSPO Approval Date	12/01/2006
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PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT
1.1 Company and Contact Details

Company Name:	Kuala Lumpur Kepong Berhad.
Business Address:	1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak. Malaysia.
Contact Person:	Mr. Sin Chuan Eng
Office Telephone:	+605 2417844
E-Mail:	ce.sin@klk.com.my
Web Site:	www.klk.com.my
Other Certifications Held:	RSPO SCCS, ISCC

1.2 RSPO Membership & Certification Details

RSPO Membership Number:	1-0014-04-000-00
Registered Client Name:	Kuala Lumpur Kepong Berhad.
Certificate Number:	CU-RSPO- 827591
Start Date of Certificate:	26th September 2013
End Date of Certificate:	25th September 2018
Date of Original Certification:	26th September 2013
Scope:	Certification of the Palm Oil Mill and Supply Bases
Type of Certification:	Single site <input checked="" type="checkbox"/>
Duration of Certificate:	5 Years from date of certification

1.3 Annual Surveillance Assessment Details

Dates of This Audit:	31 st July – 3 rd Aug 2017
Audit Number:	ASA 04

1.4 Assessment Type

This is Annual Surveillance Audit 04 based on Roundtable on Sustainable Palm Oil (RSPO) Malaysian National Interpretation Task Force (MYNI-TF), National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production Endorsed by RSPO Board of Governors on 6th March 2015 as audit standard.

1.5 Location of the Palm Oil Mill

Name Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location Address	GPS Reference	
			Longitude	Latitude
KLK Batu Lintang POM	25	09800 Serdang, Kedah. Malaysia.	E 100°37'43.0"	N 5°11'37.0"

1.6 Palm Oil Mill Output and Approximate Tonnages Certified

Figures below are from:

- Only from certified supply bases (Y/N). **YES**
- Combining certified with uncertified supply bases (Y/N). **NO**
- If the Mill is receiving FFB from uncertified supply bases outside the audit scope, such uncertified sources is highlighted under the following sections as seen applicable:
 - PART 1, Section 1.7 – General Description of Supply Base,
 - PART 2: Partial Certification, Section 2.4 – Uncertified Units or Holdings,
 - PART 5: RSPO Supply Chain Certification of this report

Projected Production from the last 12 Months (MT)			Actual Production for this Audit Year July 2016 – June 2017 (MT)			Projected 12 Months (MT) Forecast Volume in this Report July 2017 – June 2018		
FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
134,382	32,314	7,346	130,745.61	28,069.88	5,975.70	159,966	35,193	7,518

Note: refer to part 5.2 for e-trace certified volume

1.7 General Description of Supply Base

The mill only receives FFB from KLK owns plantations and 2 outsourced suppliers – Genting Selama] whom are RSPO certified has an annual crop projection of 28-30MT/month. Verified the supplier’s RSPO certificate valid till 2019, therefore it was assessed for IP module. During this audit period, interviewed with mill manager, mill grader, weighbridge operator and external stakeholder reveals no issue of concerning oil palm processing of certificate holder.

Marketing department decides whether there is a need to purchase FFB from other certified sources to ensure the mill is running on acceptable capacity. This is clearly mentioned in the SOP 18.0 [page 1]. There are various SOPs established for supply chain process control. Since the mill only adopts to IP Module, therefore the procedures are seen clearly indicates the required mechanisms to ensure the objective of IP is monitored and achieved. There is also a storage tank map available for 3 tanks for CSPO [2x500MT and 1x1000MT], there are 2 kernel silo tanks x 160MT.

During this audit, there were a few information found different from previous assessment. It was found the address [1.7.1] of 2 supply bases [OPP1 and OPP 3] changed from previous assessment. The KLK sustainability team has confirmed the changes resulted from company’s annual exercise of updating corresponding address of operating centers.

It also observed, the total and matured hectareage [1.7.1] has big difference from previous assessment report. The total figures were re-confirmed and corrected from this report onwards. Client has acknowledged the differences and agreed the new figure to be stated in this report.

The conservation area [1.7.3] also seen increased from 4.2 HA to 18 HA. The changes were addressed in Pelam Estate due to extension of riparian zone. The figures for percentage of planted oil palm by different age ranges [1.7.4] is the area of planted [matured and immature] if comparing against in 1.7.1.

1.7.1 Location of the Supply Base

OPP	Oil Palm Plantation	Location	GPS reference		Area Summary (Ha)	
	Name	Address	Longitude	Latitude	Total	Mature
OPP 1	Batu Lintang Estate	Ladang Batu Lintang, 09800 Serdang, Kedah.	E100°42’48.6’’	N5°20’45.42’’	1,808	1,661
OPP 2	Buntar Estate	09800 Serdang, Kedah.	E100°35’35.37’’	N5°10’21.35’’	899	755
OPP 3	Pelam Estate	Ladang Pelam, 09009 Kulim, Kedah Darul Aman.	E100°43’47.8’	N5°30’26.9’’	2,960	2,189
OPP 4	Subur Estate	Bt. 23 Batu Kurau, 34520 Taiping, Perak.	E100°47’43.56’’	N5°02’53.14’’	1,261	1,074
TOTAL					6,928	5,679

1.7.2 Statistics of the Supply Base and Estimated Tonnes of FFB produced per year				
OPP	Oil Palm Plantation	Estimated FFB/Year (MT)	Planting Years	Cycle (Years)
OPP 1	Batu Lintang Estate	42,263	1990, 1991, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2007, 2009, 2010, 2011, 2012, 2013, 2014	25
OPP 2	Buntar Estate	20,838	1997 - 2014	20
OPP 3	Pelam Estate	57,224	1994 - 2011	25
OPP 4	Subur Estate	25,316	1992 - 2016	25
	TOTAL	145,641	-	-

Only use data from 1.7.3 in the eTrace Summary

1.7.3 Conservation and HCV Area (Ha)				
OPP	Oil Palm Plantation	Conservation Area (Ha)	HCV Area (Ha)	* HCV part of Conservation
OPP 1	Batu Lintang Estate	0.2	-	No
OPP 2	Buntar Estate	-	-	-
OPP 3	Pelam Estate	15	-	-
OPP 4	Subur Estate	3	-	-
	TOTAL	18.2		-

* Indicate if HCV area is part of the Conservation Area. If the HCV area is part of the Conservation Area, then "YES" otherwise, "No"

1.7.4 Percentage of Planted Oil Palm by different Age Ranges								
OPP	Planting Years by 5-year Ranges (ha)						2016	Total
	1986-1990	1991-1995	1996-2000	2001-2005	2006-2010	2011-2016		
OPP 1	98 (5.6%)	219 (12.6%)	607 (34.9%)	328 (18.8%)	218 (12.5%)	271 (15.6%)	-	1,741 (100%)
OPP 2	-	-	377 (46.2%)	323 (39.59%)	55 (6.74%)	61 (7.47%)	-	816 (100%)
OPP 3	-	204 (8.7%)	899 (38.4%)	493 (21.1%)	502 (21.5%)	242 (10.3%)	-	2,340 (100%)
OPP 4	-	114 (9.4%)	262 (21.7%)	166 (13.8%)	335 (27.8%)	265 (22%)	64 (5.3%)	1,206 (100%)
Total	98	537	2,145	1,310	1,110	839	64	6,103

1.7.5 Calculation of the Number of Production Units (N) to Sample for the Mill			
<p>$N = 0.8vY$, where "Y" is the number of units, with the result always to be rounded "up" to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed</p>			
For the Mill, how many units make up the production base?			
Owned estates (Y)	$N = 0.8vY$	Smallholders (Z)	$N = 0.8vZ$
4	2	-	-
Explanation as to the selection of estates sampled			
<p>Subur Estate and Batu Lintang were not sampled on previous assessment. Aside, Subur has replanting program for 2016/17 with 3 scattered divisions totaling to 1259 Ha. Batu Lintang Estate was sampled due to 2nd largest estate among the supply bases and being the prime location where the mill is located.</p>			

1.8 Progress of associated Smallholders or Out-growers, if applicable to this assessment

Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3-year implementation plan, if applicable to this assessment

Not applicable. No associated smallholders or out growers involved in this assessment.

1.9 Location Map for this Certification Unit (See Appendix 1)
PART 2: PARTIAL CERTIFICATION

The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules.

2.1 Management Structure

Section	Criteria	Yes/No	If "Yes"	If "No"
2.1.1	Is the certified operation (POM and supply base as detailed above) a stand-alone operation and there are no other plantations or mills owned by the same company?	No	Section 2 is N/A	Go to 2.1.2
2.1.2	Is the certified operation part of a simple structure of operations owned by one company?	Yes	Go to 2.1.5	Go to 2.1.3
2.1.3	Are there statements of the ultimate controlling shareholders and directors in the managing agency company/companies:	-	Go to 2.1.4	Go to 2.2.1
	a. Explaining the legal relationship and the management arrangements with the subsidiary companies and / or with any operating groups?			
2.1.4	b. A statement of commitment to complying with the spirit of the RSPO for all companies and subsidiaries involved with the growing of oil palm and for the production of palm oil?	-	Go to 2.4	Go to 2.2.2
2.1.5	Is there a time bound plan in place for all subsidiaries, estates, and palm oil mills?	Yes	Go to 2.3	2.2.3
2.1.6	Is the parent company or one of its majority owned and / or managed subsidiaries a member of RSPO?	Yes		

2.2 Non-compliance Identified with 2.1 Above

Section	Non-compliance findings	NC raised	Category
2.2.1	There is no explanation as to the company's structure and therefore it is not possible to conduct an effective audit against the rules for partial certification.	-	Major
2.2.2	There is no statement of commitment to complying with the spirit of the RSPO for all companies within the company structure.	-	Major
2.2.3	There is no time bound plan in place for the certification for all subsidiaries, estates and mills.	-	Major
2.2.4	No applicable membership of the RSPO.	-	Major

2.3 Summary of the Time Bound Plan

Section	Requirement	Findings and any action required	Compliance
2.3.1	Does the plan include all subsidiaries, estates, and mills?	Yes, the time bound plan does include of the subsidiaries, mills and estates owns by KLK. The Paloh Palm Oil Mill in Johor and Mill 1 in Sabah are not part of the time bound plan as it meant for out growers and smallholder group. This has been	Yes

		communicated with RSPO in 2015. For the Sumatra Utara, Gohor Lama and Padang Bharang mills been merged and named as Stabat mill.	
2.3.2	Is the time bound plan challenging? ➤ Age of plantations. ➤ Location. ➤ Mill development. ➤ Infrastructure. ➤ Compliance with applicable law.	The plan is achievable unless otherwise with unforeseen circumstances. The risk involves varies from: • To engage certification bodies and their availability. • Laws and regulations in Indonesia – a lot uncertainty. • In Indonesia ISPO precede other certification standards. • In Indonesia, it finds mobilizing the internal resources to different geographical locations.	Yes
2.3.3	Have there been any changes since the last audit? Are they justified?	The latest time bound plan dated on 22/04/2016 was reviewed and changes were discussed during verification. In Kaltim, Jabontara POM had been newly included. Both Jabontara and Berau mill target to be certified by 2017 which a year delay [2016] than planned. This was due to RSPO Compensation Scheme [Compensations Concept Note was submitted to RSPO].	Yes
2.3.4	If there have been changes, what circumstances have occurred?	New inclusion of mill and supply base. No changes on the targeted time line.	Yes
2.3.5	Have there been any stakeholder comments?	On PT Menteng Jaya Sawit Perdana IUP for 7,400 Ha approval no: 525.26/153/II/EKBANG/2007 dated on 13 February 2007 and Izin Lokasi (IL) is renewed and documented no: 188.45/359/HUK-BPN/2013 dated: 1 st August 2013 which includes an approval clause 1a that this IL will remain in force until land swap process is finalised and as at now, the land / boundary survey on-going.	Yes
2.3.6	Have there been any newly acquired subsidiaries?	No.	Yes
2.3.7	Have there been any isolated lapses in the implementation of the plan?	No lapses.	Yes
2.3.8	Has there been any systematic failure to proceed with the implementation of the plan?	No.	Yes
2.3.9	General statement as to progress made since the last audit?	The target to certify all the units within year 2017 remain same.	Yes

2.4 Un-Certified Units or Holdings

NOTE:	Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates, and Palm Oil Mills)		
Section	Requirement	Findings and any action required	Compliance
2.4.1	Did the company conduct an internal	Since all the facilities in Malaysia were certified, therefore the facilities in Indonesia monitored by the Pak Stephen and once in	Yes

	audit? If so, has a positive assurance statement been produced?	a 3 month a review with Sustainability Head will be done in KKK HQ in Ipoh. The internal control points have included all the requirements to validate the compliance against uncertified units or holdings as per partial. Joint venture in Liberia does not required internal audit as it is part of EPO as their stand-alone entity.	
2.4.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	There will either be a moratorium on development or for new areas to be developed the HCS Approach method will be employed until the exercise of convergence is completed.	Yes
2.4.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	There is no NPP applicable. There will either be a moratorium on development or for new areas to be developed the HCS Approach method will be employed until the exercise of convergence is completed.	Yes
2.4.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	PT Adei Plantation land conflicts around 2,544 Ha are still in progress of negotiation and the land area been enclave.	Yes
2.4.5	Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	None noted. No stakeholder comments or complaints received.	Yes
2.4.6	Any Legal non-compliance is being resolved in accordance with the legal	None noted. No stakeholder comments or complaints received.	Yes

	requirements, with reference to RSPO criteria 2.1 and 2.2.		
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TIME BOUND PLAN FORECAST FOR RSPO CERTIFICATION OF ALL PALM OIL MILLS & SUPPLY BASES						
s/n	Palm Oil Mill	Country	Supply Bases (estates, plantations, associations)	Area [Ha]	Targeted RSPO Certification Year	Current Certification Status as per this Audit
1	Batu Lintang	Kulim, Kedah, Malaysia	Pelam Estate*	2,960	2013	Certified
		Serdang, Kedah, Malaysia	Batu Lintang Estate*	1,808		
			Buntar Estate	899		
		Batu Kurau, Perak Malaysia	Subur Estate	1,290		
2	Kekayaan	Paloh, Johor, Malaysia	Landak Estate	4,451	Oct 2011	Certified
			Kekayaan Estate	4,436		
			Paloh Estate	2,029		
		Tenang, Johor, Malaysia	Voules Estate*	2,969		
			New Pogoh Estate*	1,545		
		Kulai, Johor, Malaysia	Fraser Estate	2,928		
		Bekoh, Johor, Malaysia	Sg Bekoh Estate	625		
Pagoh, Johor, Malaysia	Ban Heng Estate	631				
Renggam, Johor, Malaysia	See Sun Estate	589				
		Bandar Tenggara, Johor, Malaysia	Sg Penggeli Estate	942		
3	Jeram Padang	Bahau, Negeri Sembilan, Malaysia	Ayer Hitam Estate	2,640	Sept 2012	Certified
			Jeram Padang Estate*	2,114		
		Telemong, Pahang, Malaysia	Renjok Estate*	1,578		
			Tuan Estate*	1,353		
Lanchang, Pahang, Malaysia	Sg Kawang Estate*	1,889				
		Rompin, Negeri Sembilan, Malaysia	Batang Jelai Estate*	2,148		

		Simpang Durian, Negeri Sembilan, Malaysia	Gunung Pertanian Estate*	686		
		Pedas, Negeri Sembilan, Malaysia	Ulu Pedas Estate*	922		
		Rantau, Negeri Sembilan, Malaysia	Kombok Estate*	1,915		
4	Tanjong Malim	Tanjong Malim, Perak, Malaysia	Changkat Asa Estate*	1,716	2013	Certified
		Kerling, Selangor, Malaysia	Kerling Estate*	619		
		Serendah, Selangor, Malaysia	Sg Gapi Estate	603		
5	Tuan Mee	Sungai Buloh, Selangor, Malaysia	Tuan Mee Estate	1,556	2013	Certified
6	Kuala Pertang	Kuala Krai, Kelantan, Malaysia	Pasir Gajah Estate	2,107	By 2014	Certified by SGS in 2014, currently engaging new CAB.
		Tanah Merah, Kelantan, Malaysia	Kerilla Estate* Sg Sokor Estate*	2,176 1,603		
7	Mill 2	Tawau, Sabah, Malaysia	Pang Burong Estate Sri Kunak Estate Tundong Estate Ringlet Estate	2,548 2,770 2,155 1,834	March 2009	Certified
8	Pinang	Tawau, Sabah, Malaysia	Jatika Estate Sigalong Estate Pangeran Estate Pinang Estate	3,508 2,864 2,855 2,420	March 2009	Certified
9	Lungmanis	Lahad Datu, Sabah, Malaysia	Tungku Estate Bukit Tabin Estate Lungmanis Estate	3,418 2,916 1,656	July 2010	Certified
10	Rimmer	Lahad Datu, Sabah, Malaysia	Rimmer Estate Sg. Sibalukan	2,730 2,654	July 2010	Certified
11	Bornion	Kinabatangan, Sabah, Malaysia	Bornion Estate Segar Usaha	3,233 2,792	July 2010	Certified

			Estate			
12	Changkat Chermin	Manjung, Perak, Malaysia	Lekir Estate	3,313	2013	Certified
			Changkat Chermin Estate	2,530		
			Raja Hitam Estate	1,497		
			Glenealy Estate*	1,059		
		Parit, Perak, Malaysia	Serapoh Estate*	936		
			Padang Rengas, Perak, Malaysia	Kuala Kangsar Estate*		
		Trong, Perak, Malaysia	Allagar Estate	805		

Note: Above marked * is combination of total rubber and palm oil area within stated plantation where the exact certified or under certification of each plantation will be according to the respective public summary report

With reference to time bound plan, the following issues were reviewed openly with the Control Union audit team during the assessment and which may be in conflict with the rules for partial certification, if applicable

Name of Mill or Plantation	*Area of concern (See examples below)
N/A	N/A
Include any known concerns, media reports and major issues both present and from the past covering, for example: <ul style="list-style-type: none"> • Replacement of primary forest or any area containing HCV's since November 2005. • Evidence of non-compliance with the law • Legal issues • Compensation payments • Social relations • Burning • Labor disputes 	

2.5 Summary of the findings for Partial Certification

The audit team assessed compliance with the above requirements during this audit. Failure to address any non-compliance identified may lead to certification suspension.

This verification was attended by Mr. Sin Chuan Eng and Ms. Lee Kuan Yee from the Sustainability Department. On behalf of CUC, Mr. Simon [Certifier], Ms. Mozhi [Program Manager], Mr. Jamal [Auditor] and Mr. Mahas [Auditor] were involved. The verification was found satisfactory with documented evidences of latest time bound plan, detail discussions on NPP and the challenges in meeting the time bound plan. There were no non-conformities found and as at 01/04/2016, below is the status of land bank owned by KLK [certified and none].

Country	Region	Name of POM	Area [Ha]
Malaysia	Peninsular Malaysia	Batu Lintang	61,508
		Tanjung Malim	
		Kekayaan	
		Tuan Mee	
		Paloh	
		Changkat Chermin	
		Jeram Padang	
		Kuala Pertang	
	Sabah	Mill 1	40,353
		Mill 2	

Indonesia		Rimmer	
		Bornion	
		Lungmanis	
		Pinang	
	Kaltim	Berau	32,056
		Jabontara	
	Riau	Mandau	35,259
		Nilo 1	
		Nilo 2	
		Tapung Kanan	
	Belitung	Parit Sembada	20,391
		Steelindo Wahana Perkasa	
	Sumatera Utara	Gohor Lama	21,372
		Padang Brahrang	
Kalteng	MAP	28,097	
Total			239,036

2.6 Partial Certification Audit Agenda

Date	Location	Agenda
22/04/2016	KLK Wisma Taiko, Ipoh	Documentation review

PART 3: AUDIT PROCESS

3.1 About the Certification Body

Control Union Certifications is a member of the Control Union World Group – an international inspection and certification body. CUC performs Audits and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP.

CUC is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CUC Organic program (according to the EU regulation 2092/91) and EUREPGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.

Control Union (Malaysia) Sdn Bhd is a registered affiliate member of RSPO and is a private limited company owned by the Control Union World Group based in Malaysia. Control Union (Malaysia) Sdn Bhd is authorized to conduct and issue certification on behalf of RSPO and Control Union Certifications.

3.2 Audit Team

Lead auditor:	Mahaswaran Maliyapan
Team member 1:	Fadly Ahmad
Team member 2:	Nor Ashikin Shafinaz binti Whayab
Team member 3:	Mohd Razaleigh Mohamad

3.2.1 Qualifications of the Lead Auditor

Requirement	Qualifications
A minimum of post high school (post-secondary school) training in either agriculture/forestry, environmental science, or social sciences;	Executive Master in Entrepreneurship Enhancement [Supply Chain Management], Professional Diploma in International Management Practices, Graduate Diploma in Business Administration, and Diploma in Mechanical Engineering.
At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil	Since 2012 trained in agriculture certification programs such as RSPO, MSPO and SCCS and holds role as lead

management; agriculture/forestry; ecology; social science);	auditor or auditor with several local and overseas certification bodies.
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Has vast exposure and experience in 2nd & 3rd party auditing in various industries and owns proven track records of auditing various multinational companies both locally and internationally.
Successfully completion of an ISO 9000:19011 lead auditors course;	Certified Lead Auditor for ISO 9001, 14001, OHSAS 18001, RSPO P&C, RSPO SCCS, RSPO Next. and being RSPO Lead auditor with several Certification Bodies.
Training in the practical application of RSPO certification systems.	Attended in-house and web-based RSPO P&C and SCCS training by various certification bodies.
A supervised period of training in practical auditing against the RSPO criteria or similar sustainability standards, with a minimum of 15 days audit experience and at least 3 audits at different organizations.	Attended in-house and web-based RSPO P&C and SCCS training by various certification bodies.
RSPO endorsed lead auditors course.	Yes
Signed code of conduct.	Yes
General knowledge of:	
• RSPO P&C standards.	Yes
• CUC organizational structure.	Yes
• CUC quality systems.	Yes
• Lead auditor role.	Yes
• Report writing.	Yes
• Stakeholder consultation.	Yes
• Certification decision process.	Yes
• RSPO SCCS program manual.	Yes
• CUC filing systems.	Yes
• Correct use of RSPO trademarks.	Yes
• History and objectives of RSPO.	Yes
• CV available.	Yes
Completion of CUC RSPO lead auditor training.	Yes

3.2.2 Qualifications of the Assessment Team		
RSPO Requirement	Team Member Name	Qualifications
Fluent in main local languages and English.	Fadly Ahmad	Fluent in both English and Bahasa
	Nor Ashikin Shafinaz binti Whayab	Fluent in both English and Bahasa
	Mohd Razaleigh Mohamad	Fluent in both English and Bahasa
Field working experience in the palm oil sector, or a demonstrable equivalent.	Fadly Ahmad	Graduated in BSc Plantation Technology and Management from UiTM. 6 years' experience in oil palm plantation as Assistant Manager in Genting Plantations Sabah.
	Ms. Nor Ashikin Shafinaz binti Whayab	Involved in RSPO auditing since 2016. Graduates in Biochemical Engineering from University Kebangsaan Malaysia.
	Mohd Razaleigh Mohamad	Graduated in BSc Plantation Technology and Management from UiTM. 5 years' experience in oil palm plantation as Senior Assistant Manager in Tradewinds Plantations Berhad.

Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.	Fadly Ahmad	Qualified for Lead Auditor course training for ISO 14001:2015. Have attended RSPO, Global Gap, EU, USDA NOP, JAS audits in Malaysia, Indonesia, and Sri Lanka.
	Ms. Nor Ashikin Shafinaz binti Whayab	Qualified auditor for ISO 9001:2015 and attended RSPO Lead Auditor course.
	Mohd Razaleigh Mohamad	Attended for Lead Auditor course training for ISO 14001:2015. Have attended RSPO, Global Gap, EU, USDA NOP, JAS audits in Malaysia, Indonesia, Ivory Coast and Sri Lanka.
Health and Safety auditing on the farm and in processing facilities. (For example, OHSAS 18001 or occupational. Health and safety assurance system).	Fadly Ahmad	Qualified for Lead Auditor course training for ISO 14001:2015. Have attended RSPO, Global Gap, EU, USDA NOP, JAS audits in Malaysia, Indonesia, and Sri Lanka.
	Ms. Nor Ashikin Shafinaz binti Whayab	Qualified auditor for ISO 9001:2015 and attended RSPO Lead Auditor course.
	Mohd Razaleigh Mohamad	Attended for Lead Auditor course training for ISO 14001:2015. Have attended RSPO, Global Gap, EU, USDA NOP, JAS audits in Malaysia, Indonesia, Ivory Coast and Sri Lanka.
Workers welfare issues and social auditing experience. (For example, with SA8000 or related social or ethical accountability codes).	Fadly Ahmad	Qualified for Lead Auditor course training for ISO 14001:2015. Have attended RSPO, Global Gap, EU, USDA NOP, JAS audits in Malaysia, Indonesia, and Sri Lanka.
	Ms. Nor Ashikin Shafinaz binti Whayab	Qualified auditor for ISO 9001:2015 and attended RSPO Lead Auditor course.
	Mohd Razaleigh Mohamad	Attended for Lead Auditor course training for ISO 14001:2015. Have attended RSPO, Global Gap, EU, USDA NOP, JAS audits in Malaysia, Indonesia, Ivory Coast and Sri Lanka.
Environmental and ecological auditing. (For example, experience with organic agriculture, ISO 14001 or environmental management systems).	Fadly Ahmad	Qualified for Lead Auditor course training for ISO 14001:2015. Have attended RSPO, Global Gap, EU, USDA NOP, JAS audits in Malaysia, Indonesia, and Sri Lanka.
	Ms. Nor Ashikin Shafinaz binti Whayab	Qualified auditor for ISO 9001:2015 and attended RSPO Lead Auditor course.
	Mohd Razaleigh Mohamad	Attended for Lead Auditor course training for ISO 14001:2015. Have attended RSPO, Global Gap, EU, USDA NOP, JAS audits in Malaysia, Indonesia, Ivory Coast and Sri Lanka.
Economic issues.	Mahaswaran Maliyapan	Executive Master in Entrepreneurship Enhancement [Supply Chain Management], Professional Diploma in International Management Practices, Graduate Diploma in Business Administration, and Diploma in Mechanical Engineering.

3.3 Audit Methodology

3.3.1 General Overview

The Audit was carried out in conformity with the procedures as laid down in the CUC Procedure Manual and the RSPO Program Manual for the auditors and Certifier. During the Audit, the qualified CUC auditors used the RSPO standard as endorsed for the country in which the audit took place and recorded their findings.

Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:

- **Chemical stores.** Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security.
- **Field inspections.** Herbicide application programs. Harvesting sites and efficiency. Fertilizing operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes. Ground cover. Soil erosion. Field observations of all operations.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts. Child labor. First aid. Awareness.
- **Re-planting sites.** Zero burn.
- **HCV's.** Identification. Management plans. Environmental Impact Assessments. Implementation.
- **Riparian zones.** Width. Current and future management. Non-maintenance regimes.
- **Water management.** Water courses. Water monitoring.
- **Road maintenance.** Run off.
- **Social amenities.** Social Impact Audits.
- **Local communities.** Contributions made. Employment opportunities. Social impacts. Complaints procedures.
- **Workshops.** Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management.
- **Line sites.** Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal.
- **Documentation review.**

The Palm Oil Mill audit verification included the following activities:

- **Mill and workshop inspections.** Documentation review & worker interviews.
- **Mill.** SOP's. Safe working environment. Gen sets. Walk ways. Signs. EFB. POME treatment. Emissions. Mass balance. Diesel tanks. PPE. Fire extinguishers. First aiders and boxes. Fuel and water usage.
- **OSH.** Training. Management structure. First aiders.
- **Full document review.** Completion of the checklist. Review and documentation of evidence. All aspects of RSPO P&C's applicable.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts.
- **Compliance against the RSPO SCCS certification scheme.**

Verification:

Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and mill inspections as summarized above.

Proposed Assessment Agenda for this Audit		
Date	Location	Main activities
31/07/2017 (Monday)	Subur Estate	07.00- 10.00 Traveling to Site <ul style="list-style-type: none"> Traveling of audit team from Klang to Batu Lintang Estate (Travelling and accommodation to be arranged by client)
		1000 – 1030: Opening meeting <ul style="list-style-type: none"> Introduction by team leader
		1030 – 1700: Document review <ul style="list-style-type: none"> Document review [EIA, SIA, CIP, Business Plan] Complaint mechanism / Request & respond Best agricultural practices Safety and Health Site verification <ul style="list-style-type: none"> Best agricultural practices Manuring, Spraying, Harvesting, HCV / Conservation Area Legal compliance / boundary Chemical / Pesticide / Fertilizer Stores Workers interview Worker's facilities (housing, pay, etc)
01/08/2017 (Tuesday)	Batu Lintang Estate	0900 – 1700: Document review <ul style="list-style-type: none"> Document review [EIA, SIA, CIP, Business Plan] Complaint mechanism / Request & respond Best agricultural practices Safety and Health Site verification <ul style="list-style-type: none"> Best agricultural practices Manuring, Spraying, Harvesting, HCV / Conservation Area Legal compliance / boundary Chemical / Pesticide / Fertilizer Stores Workers interview Worker's facilities (housing, pay, etc)
		11.00 – 12.00: Stakeholders Consultation
02/08/2017 (Wednesday)	Batu Lintang POM	0830 – 1700: Document review (All Auditors) <ul style="list-style-type: none"> Document review [EIA, SIA, CIP, Business Plan] Complaint mechanism / Request & respond 1100 – 1700: Document review (Lead Auditor) Supply Chain Certification Assessment of the POM (RSPO SCCS) <ul style="list-style-type: none"> Demonstration of legal entity Roles and responsibility Procedures/manual/SOP Record of purchase – RSPO certified product Record of sales– RSPO certified product RSPO logo & claims

		Site verification <ul style="list-style-type: none"> • Mill inspection • Workshops • Stores • POM application • Safety and Health / PPE / Signage • Waste Management / Environment • Workers interview
03/08/2017 (Thursday)	Batu Lintang POM	0900 – 1000: Preparation for closing meeting Additional field visits and meetings with managers as necessary 1000: Closing meeting <ul style="list-style-type: none"> • Presentation of findings by the audit team • NC closure dateline (if any) • Questions and answers • Final summary by team leader End of assessment
	Travel Back	All auditors travelling back to respective location.

PART 4 ASSESSMENT FINDINGS

4.1 Lead Assessor's Summary and Recommendation for Certification

The mill and supply bases visited (as per the above Tables 1.5 and 1.7.1) and were assessed at field, office, facilities, stores, and a document review was carried out in accordance to the RSPO principles and criteria as well audit evidences were recorded during the audit process. Interviews with managers, workers and staff took place at various locations and evidences referred in the audit checklist respectively.

The client's RSPO management system seen incorporated well with other management systems, therefore the sampled management units have very clear and proper strategies in collecting information from both internal and external stakeholders and required information seen publicly available to those concerns.

Since from previous assessment, there was neither any negative complaints nor feedbacks received from either NGOs, government agencies, local communities, and own workers. There are also no land conflicts nor disputes within the estates sampled and it was evidenced through stakeholder interviews.

During field and mill visit, the audit team has witnessed good agricultural and mill practices respectively. Various procedures, standard operating procedures, and work instruction available for each activity. The mill and estates effectively complying with domestic laws and regulations and seen the awareness on chemical usage, training programs and continues improvement activities are well communicated.

During site visit to line sites, sighted the workers been provided with good basic amenities facilities such as housing, clean drinking water, electricity, religious places, and many others. Through interview with local communities and workers, there is no evidence of child labour, any forced labour, any human trafficking and discrimination of genders.

The mill is fully verified for RSPO SCCS system verification and it is found to be in full compliance that reference to part 5 in this report.

Summary of Non-Conformance and Current Status

The minor non-conformity which was raised in last assessment were verified closed effectively with objective evidences. During this assessment, there was a major, 3 minor non-conformities and 2 observations issued by the audit team. The non-conformity was agreed by client and will be address with relevant corrective actions within the time frame agreed by both parties as stated in the corrective action report.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is maintained.

Signed:



Name: Mahaswaran Maliyapan

Date: 05/08/2017

4.2 Summary of the findings by Principles and Criteria

- Over the 5-year period of the life of the certificate, there will be 4 annual surveillance audits
- Identified Non-Conformities and noteworthy Positive and Negative Observations.
- The RSPO require that this report contain findings by each principle and some example criteria. Please see table below.

Principle 1: Commitment to Transparency

Criterion by Audit	Summary	Stakeholders Engagement/Negotiation" SOP 1.0 does provide the guideline to the responder on their respond to any query. In accordance to the SOP, page 1 of 2, column 2, there is no specific time frame set by the company, however it depends on the nature of complaint, request or communication attended by the management team. SOP 9.0 dated 01/06/2015 has a master list of documents which subject for available upon request from public. There is a footnote highlights those documents fall under category of "2" are meant for publicly available through soft and hard copies.
ASA 04	1.1	Sighted the estates has most of the household related complaints were resolved almost within 2 days and for those needs the budget allocation or further assistance from HQ, has taken a justified period. There were 7 forms were sampled in Subur Estate to justify the responded manner and the time taken, found all has been effectively responded less than 10 days from the date of request. In Batu Lintang Estate, since from June 2016, there were 3 requests, 2 consultations and 3 complaints were made. The sampled-on request & respond is on transfer of main Hindu temple to a temporary location for renovation. As for the consultation & communication, seen the estate management has consulted an estate worker's daughter who wanted to perform her practical training as part of her institution requirement. The sampled form for complaint & grievance was for septic tank that clogged the outlet pipe. All the above mentioned were addressed with a proper respond and timely by estate management.
ASA 04	1.2	Those in soft copies are as Read Only. Among the documents which listed under "2" are the RSPO Manual which includes of the sustainability policies and SOP on legal compliance, stakeholder engagement, development of new planting, etc. FFB pricing mechanism is categorized as confidential but upon approval from Marketing Director it can be disclosed to interested parties.
ASA 04	1.3	A KLK Sustainability Policy established on 01/14/2016. The policy applies to its subsidiaries as well as to ensure their product are produced in sustainable manner which realised through continuous balanced assessment. The policy

		<p>seen includes of:</p> <ul style="list-style-type: none"> • Drive Positive Socio-Economic Impact for Communities. • Respect and Support the Universal of Human rights. • Respect and recognise the Rights of All Employees. • No Forced or Bonded labour. • Whistle Blowing, Business Integrity, Harassment, and Violence. • Resolve Variable Complaints and Conflicts through an Open and Transparent and Consultative Process. <p>Sampled the training records for 1st badge of workers in Subur Estate conducted on 08/03/2017 for 35 workers. The teaching material was verified against the information on Sustainability Policy and found well linked. In the Batu Lintang POM, seen the training calendar for 2016 – 2017.</p> <p>Among the key trainings in regard to the code of ethical were briefing on agreement of MAPA/NUPW, KLK Policy briefing and post arrival orientation training. Training records and training efficiency monitoring record maintained.</p>
Principle 2: Compliance with Applicable Laws and Regulations		
Criterion by Audit	Summary	Sighted KLK SOP 2 that titled “Legal Compliance” defined the list and summary of applicable laws and regulations was reviewed accordingly. There is monitoring checklist summary that to alert the expiry dates for each listed legal compliance. There was a minor non-conformity and 1 observation raised.
ASA 04	2.1	<p>In the mill and estates, found the Legal Compliance Checklists which list out all the permits/licenses for the updated year of 2017 prepared by assistants and verified by respective managers. All the date was valid and verified. The certificate, license and permit were in placed in SOP 2 and is according to the details of the listed documents such as 12 documents serves as a guidelines and code of practices and 6 documents related to International law.</p> <p><u>Minor Non-Conformance:</u> During filed visit at Main Division of Subur Estate, interviewed 3 sprayers and a Mandore [all are Malaysian]. They were found with sufficient knowledge of GAP and safety at worksite. However, when cross checked of the sprayers medical surveillance report, it was found the sampled sprayers were not sent for medical surveillance for year 2017 as per the schedule. This was also not captured and track in the annual legal compliance monitoring by the estate management.</p> <p><u>Observation:</u> Permit for electrical deduction issued by Jabatan Tenaga Kerja (JTK) is not available in place. Verified letter of ‘Permohonan Permit Untuk Membuat Potongan Bil Electric Dan NUPW Daripada Gaji Pekerja’ dated 22/02/2017 requested by Mr. Chan Yik Loon (Subur Estate Manager) and successfully received by Pejabat Tenaga Kerja Taiping dated 09/03/2017. The first application is granted for union deduction only as verified letter from Mr. Rahmat Ismail (Pengaruh Tenaga Kerja Negeri Perak Darul Ridzuan) JTK.PK. (1) PMT(SEK.24)10802 Jld.9(14) dated 09/05/2017 and received by estate management dated 25/05/2017. Management sent the 2nd request for electrical deduction as verified letter of ‘Permohonan Permit Untuk Membuat Potongan Bil Electric Daripada Gaji Pekerja’ dated 27/06/2017 signed by Mr. Chan Yik Loon (Estate Manager)</p>

		<ul style="list-style-type: none"> • 18 workers from Subur Div. • 7 workers from Sungai Pulau Div. • 23 workers from Norseman Div. <p>Has signed 'Peretujuan Pekerja Untuk Potongan Gaji Bagi Lain-Lain Jenis Potongan Seperti (Api)'.</p>																				
ASA 04	2.2	Sighted the land title and the receipt of tax payment made for the land. There is no recognized Native Customary Right (NCR) land. The land transfer from previous owner [rubber crop] was done in 1986. Verified the "Quit Rent, Tol, and TNB Rentice for year 2016-17. During site visit to mill, seen the boundaries already been fenced up as the perimeter of mill is within Batu Lintang estate. There are markers available during the site visit to the estate perimeter.																				
ASA 04	2.3	Sighted the Land compensation SOP and Land conflict or land disputes SOP are available. Also have external complaints and grievances SOP and their log book are available. Stakeholder consultation is done annually. No complaint made and there is no issue arise during the stakeholder meetings.																				
Principle 3: Commitment to Long-Term Economic and Financial Viability																						
Criterion by Audit	Summary	Among the action plans for estates are to meets the management plans are; prudent spending and avoid wastage as part of keep production cost within estimation, as to maintain GAP it must be ensure correct dosage and timely chemical application. Seen the expenditure list includes of pest & disease, roads & bridges, supervision of labour and internal transport. Vehicle maintenance and repair cost are also calculated and presented in the management plan. The financial statement based on annual financial year that from Oct to Sept of subsequent year.																				
ASA 04	3.1	<p>In Batu Lintang POM, sighted the crop projection, OER and KER are stated in the annual budget plan. Sampled the projections for:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>YEAR</th> <th>FFB (MT)</th> <th>CPO (T)</th> <th>KERNEL (T)</th> <th>OER %</th> </tr> </thead> <tbody> <tr> <td>2016/2017</td> <td>144390</td> <td>31765</td> <td>7219</td> <td>22</td> </tr> <tr> <td>2017/2018</td> <td>149200</td> <td>32824</td> <td>7460</td> <td>22</td> </tr> <tr> <td>2018/2019</td> <td>150717</td> <td>33157</td> <td>7535</td> <td>22</td> </tr> </tbody> </table> <p>The cost of manufacturing target and actual was briefed by the mill assistant. As at July 2017, it was recorded as RM159.11/MT CPO.</p> <p>In Batu Lintang Estate, verified the area statement that updated for 2016/17 with planted area of 1741HA [matured 1661HA and immature 80HA]. 10 years crop forecast sighted from 2016 to 2026. The average yield per/Ha as below:</p> <ul style="list-style-type: none"> • 2018/19 – 27MT • 2020/21 – 28MT • 2022/23 – 28MT <p>For the above same period, the crop projection is:</p> <ul style="list-style-type: none"> • 2018/19 – 43,758MT • 2020/21 – 43,469MT • 2022/23 – 41,079MT <p>The estimated financial statement of 2016/2017, was cross verified for the workers quarters upkeep that also stated as part of continues improvement plan. The Estate Manager is the key responsible person and in absent of him, the assistant to communicates with interested parties. This been defined in the SOP-01. The last replanting was on 2014 and sighted the next replanting program in 2017/18 – 136HA and 2018/19 – 79HA.</p> <p>As for Subur Estate, sampled the crop forecast for 2016 – 2026. The plan also</p>	YEAR	FFB (MT)	CPO (T)	KERNEL (T)	OER %	2016/2017	144390	31765	7219	22	2017/2018	149200	32824	7460	22	2018/2019	150717	33157	7535	22
YEAR	FFB (MT)	CPO (T)	KERNEL (T)	OER %																		
2016/2017	144390	31765	7219	22																		
2017/2018	149200	32824	7460	22																		
2018/2019	150717	33157	7535	22																		

		<p>includes of the cost for replanting, matured area upkeeping, external transport, harvesting cost etc.</p> <p>As at audit period, the plan 2017/18 expected to start by mid Sept 2017. The records for 2016/17 was verified for felling/clearing/ploughing, terracing/platforming, drainage, fencing, lining/holing/planting, roads, and bridges. Verified the “Replanting Work Agreement” between the estate and Sun Lean trading dated on 01/12/2016.</p> <p>The agreement seen enforcing strict terms for palms to be mechanically fell, standing dead palms to be shred, contractors are not deviate their work scope out of the marking pegs, the measurement of terrace lining, wear PPE at all time, medical check-up for workers, etc. Seen the Purchase Order for the Ramets dated on 13/04/2015 from AAR Tuan Mee estate and the D x P Semi clonal Germinated Seeds [AA Hybrids] from KLK owned nursery [Paloh Estate, Kluang].</p>
Principle 4: Use of Appropriate Best Practices by Growers and Millers		
Criterion by Audit	Summary	Estate and mill monitor the revision of applicable documents base on the memo sent by the KLK headquarters. Sampled latest revision of 26 procedures. Roads maintenance programs have been established and recorded in Road Grading Program 2016/2017 for financial year 2016/2017. The maintenance program also indicates the progress of the program and actual. Occupational Safety & Health Policy and PPE Policy is available in English & Bahasa Malaysia, signed by the Group Plantation Director on 07 November 2014. There were 1 major, 1 minor non-conformities and 1 observation raised.
ASA 04	4.1	<p>Mill has SOP on storage of CPO, issuance of security seal, lubricant store, laboratory, boiler, engine room, kernel station, FFB reception station and CPO despatch station. Based on the SOP, mill has developed safe operation procedures (SaOP). The documented Group Policy govern operation of the estates – Agriculture – Oil Palm.</p> <p>The audit team observed that the company has maintained its Group Policy with reference to, GP/AGRIC/OP dated 01/06/2016 that specify all activities within the estates.</p>
ASA 04	4.2	<p>Soil fertility is reflected in GP/AGRIC/OP5 dated 15 July 2005 and SOP 4.0: Soil Erosion & Fertility and Road Maintenance dated on 01/06/2015. The GAP starts from the survey by Agronomist with recommendation for fertilizer application. Soil improvement plan includes in fertilizer based on soil and foliar sampling annually.</p> <p>Agronomist visit report is evident during the audit as available in Applied Agricultural Resources Sdn. Bhd. - Oil Palm Manuring Recommendations 2016/2017. Sampled the recommendation of fertilisers for Batu Lintang Estate sighted in document “Oil Palm Manuring Recommendations”. Periodic tissues sampling report sighted prepared by AAR Resource Sdn Bhd for Financial year 2017/2018.</p> <p>Mill have plan to do nutrient recycling strategy by doing implementation for mill waste such as POME, belt press and EFB to the estate. Sighted the records for belt press, POME and EFB distribution to the Batu Lintang Estate.</p>
ASA 04	4.3	<p>In Batu Lintang Estate, seen the soil map for both Main and Ghim Khoon Divisions. For main division, it consists of 187 hectare of peat area. Peat area is from shallow peat and additional sapric and alluvial sand. However as per conversation with the agronomist, there was misinterpreted during the identification of soil types, whereby the report quoted the organic content is 42.03% -46.72% that classified as “Organic/Peat Soil”. However, based on the</p>

		<p>Best Management Practices of Peat from RSPO, the soil only declared as peat soil if the organic content is 65% with 50cm depth.</p> <p>In Subur Estate, sighted a management strategy for purpose of planting on slopes above a certain limit is evident in Soil Erosion & Fertility and Road Maintenance (SOP: 4.0; Date: 01/06/2015). Slightly slopes area which is exceed the 15 degrees slopes as according to the company SOP. There is no evidence of steep slopes area exist in the estate. The management only spot spray on large woodies and conserved as much ground vegetation as possible to protect the topsoil.</p>
ASA 04	4.4	<p>In Batu Lintang Mill, the water management plan has been sighted in the SOP 5 – 1/6/2015. As per stated in the water management plan, the mill has plan to monitor water usage per tonnage process to avoid any over usage of water. Water is abstracted from Krian River and treated in the mill (WTP). It is used for mill processing and for domestic used. Verified the abstraction approval from Lembaga Sumber Air.</p> <p>In estates, there are 4 area of management plan that are gazetted river banks, water catchment ponds (WCP) wetlands, water for consumption, peat soils and finally the domestic waste water/ Palm Oil Mill effluent. Stated in the plan that the estate need to manage in accordance to HCV management plan, to perform of river water quality (outgoing point WQI2 is maintained in comparison to the incoming point WQ1).</p> <p>Drinking water have been identified and sources from the tube well. During the site visit, there is evidence that estate have maintained specific buffer zones to base on the management policy. Sighted also the signboard prohibited any fishing and spraying activities at that particular area.</p> <p>Total effluent discharge base on the Bascular reading sighted in Laporan Bacaan Meter Kadar Alir for month of June 2017. Sighted mill maintains effluent discharge not more than 280 cubic metre per day. Effluent test result also sighted latest been carried out with parameter below then stipulated by regulation.</p> <p>Minor Non-conformity: Based on the agronomist report from AAR for 2016/17, the estate requires to maintain water table height. During document verification, seen the estate has established water management plan however, there is no monitoring results available against the management plan.</p>
ASA 04	4.5	<p>Sampled the IPM program for Ladang Batu Lintang, Ghim Khoon Division. The program requires the estate to develop a plan to plant of beneficial plants in every 2 months once, that scheduled in February, April, June, October, and December 2017.</p> <p>In Subur Estate, seen the IPM plan for year 2017 recorded in SOP 07 - integrated pest management. Sighted the antigonen leptopus planting program for 2017. The plan has been documented in a map and remarks if the implementation has been carried out.</p> <p>Sighted also barn owl boxes plan with total 39 boxes have been constructed. However as per to date 4 boxes have been damaged. Sighted the records of census in March and June 2017. Total 6 adults,9 chick and 15 eggs.</p>
ASA 04	4.6	<p>In the mill, seen 34 types of chemicals hazardous to health was registered in SOP 6. Sampled, records of chemical application in Batu Lintang estate for spot spraying PM95C/33 for period early April to end April 2017 using Garlon.</p> <p>Justification of agrochemicals used sighted in the document SOP 6.0. Total 19 litres of Garlon have used for total 33 hectares. Cost material used per ha is</p>

		<p>RM8.72. There is evidence no class 1A and 1B chemical have been used in the estate during the document review and site visit.</p> <p>Application of any chemical products in the estate and mill is under controlled and carried out by qualified person which have attended certain training. Interviews and Records clearly shows of no pregnant or breast-feeding women assigned for chemical handlings works.</p> <p>Observation: During visit to Ghim Koon division, it was told to auditor there was no spraying activities due to manpower switching to other jobs. However, when the audit team visited the “Washing Room”, the PPE attires for sprayers not effectively maintained as seen only 3 suits of apron and a piece of rubber glove available. Based on the sprayer list, there are total 4 sprayers.</p>
ASA 04	4.7	<p>The Occupational Safety & Health Policy and PPE Policy is displayed outside the office and around the store area. For mill level, policy for OSH and PPE has been established and signed by the Mill Manager, Mr. Mohd Hadzri Bin Arsad. Latest training conducted for OSH Policy was on 16/02/2016.</p> <p>Risk assessment have been developed by the estate safety and health committee and approved by the manager. The risk assessment has been documented for 30 types of works that have been carried out in the estate. Sample of risk assessment have been taken base on the accident record and report for year 2016.</p> <p>OSH training program available in the mill that documented in the Program Keselamatan dan Kesihatan 2017. The management have plan to be carried out training once every month. Total 9 training have been carried out and sampled training on oxygen and welding, audiometric test, fire drill training, SOP boiler training. During the site visit, seen the workers were wearing appropriate PPE at respective work stations. OSH organization chart sighted for mill and estates. First aid kit sighted during the site visit with total 6 first aid kit has been place all around the mill compound. Sighted in the first aid, list of inventories for first aid and update checked. Stock update have been carried out monthly.</p> <p>Major Non-Conformity: Verified the CHRA report dated on 23/05/2016 conducted by OSH Safety Consultancy (M) Sdn. Bhd. The mill’s processes that significant for chemical hazard identified accordingly. However, seen the assessment conducted does not covers the chemical store that may has potential risks to an employee as a result of exposure to chemicals hazardous to health and to identify the hazards posed by each chemical substance used, stored, handled, or transported within the place of work. There is no justification on why the process was excluded.</p> <p>This is against the requirement stipulated in Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazards to Health) Regulations 2000 - Part IV – Assessment of Risk to Health - Regulation 9. Assessment of risk to health. The reference also made against Assessment of The Health Risks Arising from The Use of Hazardous Chemicals in The Workplace (A Manual of recommended Practice 2nd Edition)-Under the Occupational Safety and Health Use and Standard of Exposure of Chemicals Hazardous to health – Regulations 2000 [P.U. (A) 1311].</p> <p>Verification by Lead Auditor:</p>

		The immediate corrective action addressed found satisfactory to close the major non-conformity and the updated CHRA will be desk review upon submission from client.
ASA 04	4.8	<p>Sampled training program in the mill that been developed for RSPO program for all the staff and workers. Among the planned trainings are includes of KLK sustainability briefing, MAPA and NUPW, fire drill, domestic waste, supply chain critical control point for Weighbridge etc. Based on the conversation with estate and mill managers, the sustainability briefing consists training that cover health and environmental risk of environmental exposure.</p> <p>For estates, formal training program have developed to cover all aspect in RSPO. Training that have been planned includes of briefing on sustainability, 3R, recycling of household wastes, briefing of workers on waste management, gotong royong program, IPM and environmental training. Training records have been maintained and sampled training for Integrated pest management and environmental awareness for estate workers.</p>
Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity		
Criterion by Audit	Summary	Environmental Management Plan was well established which include process/area, major activity/aspect, potential impact, management control, PIC (Person In-Charge), status and completion period. The management has annual training plan to educate the estate and mill workforce on about the status RTE species. It has been scheduled in the estate's training plan. There was a minor non-conformity raised.
ASA 04	5.1	<p>In Batu Lintang POM, sighted EIA reviewed by Assistant Manager, approved by Manager and the preparation was assisted by KLK Sustainability Team (HQ). The assessment was based on Environmental Impact Assessment Procedure titled "Environmental Aspect and Impact Assessment" EAIA SOP-10 incorporated in the Environmental Impact Assessment register.</p> <p>Sampled in KLK Batu Lintang Estate, the Environmental Aspect and Impact Assessment was reviewed in June 2017. The environmental impact assessment has covered key areas such as replanting, mature maintenance (spraying/mist blowing), manuring and other areas that has a high risk. The plan was verified by respective manager.</p>
ASA 04	5.2	<p>There is no HCV identified in both estates. Seen the assessment done in estates based on SOP 11.0 – High Conservation Value (HCV) & Conservation Area Management was conducted on 25/10/2015. The company management has established management plan titled "HCV/Conservation Area Management Plan" under the company's sustainability department's SOP #11.0 dated 01/06/2015 as well as checklists to be used for monitoring purpose.</p> <p>However, there are river buffer and water catchment pond which consider as conservation area for home division while Indian cemetery considered CV in Kedah Division. There is no rare, RTE species or HCVs been identified for the estate. The management plan includes of erect warning signage such as "No Hunting", "No tress passing", "no Poaching", electrical fencing, report of legal activities and patrolling by estate management.</p>
ASA 04	5.3	<p>Mill has identified and documented all types of waste that generated from its operation into the EAIA as per 5.1 above. The source of waste well identified in the "Environmental Impacts Assessment" dated on January 2017. Sample of the identified sources such office waste, spent lubricant oil, spent oil filter etc.</p> <p>Scheduled waste codes involved are SW102, SW305, SW 306, SW409 and SW 410. There is an inventory of chemicals and their containers that are used and</p>

		<p>kept in mill. "Schedule Waste Inventory & Related Records"-done update and checking every month.</p> <p>Estates had identified and documented types of waste that generated from its plantation activities in waste management plan for year 2015/2016 titled is "Scheduled Waste Generated and Pollution Prevention Plan ". Monitoring management plans are incorporated in the Environmental Impact Assessment register.</p> <p>Minor Non-conformity: Based on the site visit to tube well in Subur Estate, workshop in Batu Lintang Estate and scrap iron yard in mill, the audit team observed empty chlorine container, used grease container, and used paint container / a container with petrol at the respective sites. In Batu Lintang Estate, seen traceses of fertilizer and oil spilled from the fertilizer vehicle which happened during the unloading of fertilizer from the external supplier's vehicle.</p>
ASA 04	5.4	Both mill and estate has a plan for improving efficiency of the use of fossil fuels sighted in "Waste Management & Energy Used". This plan updated on June 2017. Fossil fuel usage was monitored by SOP 12.0 dated on 01/06/2015, the titled is "Waste Management & Energy Use" and record in sub section titled is "Energy Usage".
ASA 04	5.5	The company has established "zero open burning" policy dated 1st December 2014 by Mr. Tan Sri Dato' Seri Lee Oi Hian, company's CEO. There is no open burning noticed during the plant visit. There is no replanting program in year 2015/2016.
ASA 04	5.6	<p>Assessment of all polluting activities for the mill are identified and recorded in document titled "Environmental Aspect Impact Assessment (EAIA) & Pollution Prevention Plan" last updated on 27th October 2017. EAIA is being reviewed on annual basis and previous review was done in 07th February 2017. Plan to reduce pollutants and GHG for the plantation is available.</p> <p>Sighted the decreasing for fuel consumption and fertilizer dosage/palm. Furthermore, there is management control of reduce emission of GHG from diesel vehicles which require the driver to switch off their vehicle if not moving more than 30minutes.</p> <p>In Ladang Subur, found the assessment of all polluting activities for the estate are identified and recorded effectively. There is management control of reduce emission of GHG from chemical usage is the chemical dosage are calibrated and keep in the calibration list refer to spraying costing book.</p>
<p>Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers</p>		
Criterion by Audit	Summary	The mill and estate have conducted the social impact assessment. The relevant policies are in place and are fully implemented across the board. Communication and consultation as well complaints and grievances procedure are well communicated and adhered to. There are evidences of workers not been discriminated against in any way and all are being paid their fair wages.
ASA 04	6.1	In the mill, in accordance to SOP 13.0 Issue/Rev 1/0 on Changes in Passport Deposit Mechanism for Foreign Workers dated 21/03/2017 prepared Asst. Manager and checked by Mill Manager. This SIA conducted was aimed to understand both positive and negative social impacts resulting from changes in passport mechanism. The passport acceptance form signed by respective employees are sighted and documented in 'Penyerahan Passport Kepada Pekerja Asing'.

		<p>Result of negative and positive impact were taken into consideration by mill and estate management. The plan is completed with description, mitigation measures, impacts, person in charge and status of the impacts. The SIA plan will be reviewed in 2018 as mill and estate practice to done review once in every 2 years.</p> <p>In Subur Estate due for replanting program done at Norseman Division, an SIA has been conducted among external stakeholder as verified report of Social Impact Assessment- Questionnaire for Estate External Stakeholder dated 09/02/2017 prepared by Asst. Manager) and checked by Estate Manager.</p> <p>This study is to determine positive and negative social impact of the estate operation towards the local population and communities surrounding. The management plan covering topic for communication, health, accessibility and social development and contribution are analysed and tangible action plan is provided with target dates, person in charge and current status.</p>
ASA 04	6.2	<p>SOP 1.0 Stakeholder Engagement/Negotiation Issue/Rev 1/0 dated 01/06/2015 is established as the consultation and communication procedures to relevant stakeholders. SOP has outlined the request & response, consultation & communication, and complaint & grievance mechanism to handle issues highlighted by stakeholders.</p> <p>The stakeholder consultation scheduled to be conducted annually. Latest consultation was done combining with Baru Lintang Estate as sighted the latest minute meeting, Batu Lintang Palm Oil Mill, Batu Lintang Estate, Buntar Estate Stakeholders Meeting Minutes.</p>
ASA 04	6.3	<p>SOP 1.0 Stakeholders Engagement/Negotiation outlined the method of handling requests, complaints, and grievances, identified, and registered all stakeholders, record of request and response, resolving consultation, resolving communication and complaint and grievance.</p> <p>For private and confidentiality, protection of whistle blower is stated in KLK Sustainability Policy Issue/Rev. 1/0 approved by Tan Sri Dato' Sri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 Clause 3.2 (xii) where the group shall provide a confidential means for all personnel to report illicit (unethical or illegal) activities.</p>
ASA 04	6.4	<p>KLK has established Land acquisition (for OP planting) SOP 3A issue/rev 1/0 dated 01/01/2017 outlined the procedure for identifying legal, customary or user rights. This is endorsed for claiming on land ownership and consideration of compensation.</p> <p>In Land acquisition (for OP planting) SOP 3A issue/rev 1/0 dated 01/01/2017, compensation shall take into account of proof of legal versus communal ownership in ethnic group, communities' period of residing and origins and gender difference in the ability to claim rights. Until to date, no compensation records made.</p>
ASA 04	6.5	<p>Mill and estate implied the recommendation by MAPA/NUPW agreement which salary amount is RM 38.46 daily and minimum RM1000 starting July 2016 per month as specified in contract and been agreed and signed by employee. Labour report for the month of June 2017 sighted in estate summary shown breakdown of workers. Permission letter for deduction of Great Eastern Life Insurance signed by union members addressed to Estate Manager is verified.</p> <p>Workers has signed 'Perjanjian Bersama MAPA/NUPW Mengenai Pekerja-Pekerja Padang Dan Lain-Lain Pekerja Am Dan Feadah-Faedah Sampingan' dated 20/01/2015 as a documented permission to deduct union fee. The latest employment contract is available in Malay language signed by</p>

		<p>employee and employer representative. The agreement outlined employment term, wages, working hours, entitled holiday, benefits, levy, and work permit etc. is carefully explained to employees. Verified employment contract for sampled workers.</p> <p>The monitoring of line site is conducted weekly by Asst. Manager as sighted Domestic Wastes & Sanitary Landfill Checklist done. Monitoring will ensure that domestic waste collection, cleanliness, open burning, drains and septic tanks activities will be following to the company practice. To imply awareness among workers, training on line site cleanliness briefing and complaint system has been done.</p>
ASA 04	6.6	<p>The company has established policy entitled 'KLK Sustainability Policy' approved by Tan Sri Dato' Sri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 which under clause 3.2 (v) indicates Freedom of Association and Right to Collective Bargaining where workers are allowed to join collective association. Local or foreign workers are given the freedom which it is an optional for them to join worker union formed in mill or estate. Thus, their freedom is not restricting by mill or estate management. The meeting between union and management will be conducted annually.</p>
ASA 04	6.7	<p>Stated in 'KLK Sustainability Policy approved by Tan Sri Dato' Sri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 clause (3.2) (ii) 'No Child Labour' where company outlined the commitment to comply with national law regarding minimum age requirement. The youngest worker employment verified at estates and mill through labour registration record card and check roll workers against date of engaged, no negative findings found.</p>
ASA 04	6.8	<p>The company has established 'KLK Sustainability Policy - Clause 3.2(ix)-Equal Employment Opportunities' described company's policy with regards to equal opportunities and no discrimination practice among employed worker. Local employees are given 1st priority for employment (Positive).</p> <p>Employment of either local or foreign workers will not practice any discrimination regardless race, religion, and gender. Verified through interview with gender committee chairwomen, they are treated equally regardless their origin and gender. Opportunities are given to all level of workforce without being discriminated. They also expressed their gratitude for management's consideration in taking care of the workers' welfare.</p>
ASA 04	6.9	<p>In KLK Sustainability Policy issue/rev 1/0 dated 01/06/2015 approved by KLK CEO Tan Sri Dato' Seri Lee Oi Hian dated 01/12/2014 clause 3.2 (xi) Harassment and violence stated the group and its supplier/contractor shall not tolerate any type of harassment or violence. Organisation chart for gender committee is constructed. The gender committee conducted meeting twice annually. Sighted the latest minute meeting, 'Kilang Kelapa Sawit Batu Lintang Minit Mesyuarat Jawatankuasa Wanita' dated 14/06/2017.</p>
ASA 04	6.10	<p>In order to receive outside FFB crop, KLK has developed SOP for FFB Pricing Mechanism, SOP No. 17 Issue/Rev 1/0 dated 01/06/2015. The mechanism stated of identification or determine OER and KER based on the FFB processed and the amount of oil and kernel extracted. It also emphasises on report OER and KER to Production Division and Marketing Division and determine proposed OER and KER figures for computation of FFB prices.</p> <p>Pricing mechanism dealing will done between HQ and external suppliers and pricing mechanism will be done based on MSPO circulation. Company and its local business entered business deal by signing the business agreement concurred by both parties. Sighted the sampled of agreement contract. The payment evidence to local business are sighted as sampled.</p>
ASA 04	6.11	<p>The company help to improve the local development need through Corporate</p>

		Social Responsibility (CSR) program such as donation for Tadika Child dated 05/10/2016 made to NUPW Batu Lintang and donation for 'Hari Usahawan Muda' to SK Sg. Salleh dated 30/03/2016. This record is made available in KLK Berhad Web Local PO & AP System 07/2017. Captured in CSR Community Service General Ledger Posting from January 2017 until June 2017 shown RM 1828.44 has been allocated as corporate social responsibility by estate management.
ASA 04	6.12	The company strictly prohibit the use of any form of forced or traffic labour in employment of workers or staff. This is stated in KLK Sustainability Policy SOP 14: Employment of Workers/Staffs dated 01/06/2015. SOP 14 clearly outlined the restriction to practice force or trafficked labour. Legal employees are coming from Indonesia and India. Foreign workers are having legal identification such as valid permit and passport and have legality to work in mill and estate operational activity. No contract substitution occurs. Employees signed and agreed their employment contract willingly. The term and conditions contented in employment contract is according to the MAPA/NUPW terms and conditions.
ASA 04	6.13	In KLK Sustainability Policy Issue/Rev 1/0 dated 01/06/2015, Drive Positive Socio-Economic Impact for People and Communities, stated KLK respect, support and uphold fundamental human rights. Communication of the policy to workforce is carried out as sighted KLK Sustainability Policy & 3P Training.

Principle 7: Responsible Development of New Plantings

Criterion by Audit	Summary	The estate has no any new plantings or operations, or expanding existing ones as the estate only planted with Oil Palm only.
ASA 04	7.1	During field visit, seen no traces of land clearing for current operational extension.
ASA 04	7.2	NA
ASA 04	7.3	NA
ASA 04	7.4	NA
ASA 04	7.5	NA
ASA 04	7.6	NA
ASA 04	7.7	NA
ASA 04	7.8	NA

Principle 8: Commitment to Continuous Improvement in Key Areas of Activity

Criterion by Audit	Summary	Continuous improvement plans are well connected to internal audit findings and review output of the annual management review.
ASA 04	8.1	<p>In Batu Lintang POM, seen the CIP was reviewed on 03/01/2017 that consist of 3 for environment, 2 for social and 3 for OSH. Verified the status of the completion for appointing CEPSWAW as competent person for schedule waste, provides respirator and chemical resistant coat for lab attendant. There is no any new technology, upgrading of facilities and process changed witnessed during this audit. The mill remains with 25MT capacity.</p> <p>In Subur Estate, seen established CIP which was reviewed on 12/02/2017. The CIP comprise of environment, social and OHS. Sampled on minimize use of certain pesticide by planting of beneficial plants [maps verified], training on chemical equipment calibration [verified training record dated 07/12/2016] – completed 30/01/2017.</p> <p>In Batu Lintang Estate, sighted the CIP for 2016/17 seen documented in the SOP 16. There are 3 [4 activities such as EFB mulching, briefing on energy saving, regular service of tractors and spraying pump calibration] for environment and 3 [activities such as repainting of workers quarters, patching of damaged road and activities for women committee] for social.</p>


4.3 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable


This section gives an over view of new or revised non-conformities raised during this audit and of action taken to close out non-conformities raised during the previous audits, if applicable

- If a minor-non-conformity raised at the last audit, is not closed out, then this will be raised to Major status and the company given 60 days to close this out.
- The NC number is comprised of 2 parts to include the year in which the NC was raised as well as a sequential number.


4.3.1 Non-Conformities Identified during this Audit

The following 1 Major 3 Minor non-conformities and 2 observations were raised for this audit.

NC number:	NC-01		
Client name:	KLK Batu Lintang Complex		
Date raised:	03/08/2017		
Major or Minor:	Major	Site:	Batu Lintang Palm Oil Mill
Raised by:	Mohd. Razaleigh	Deadline:	60 days
Aspect of standard: 4.7.2			
All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.			
Evidence of non-conformity:			
Verified the CHRA report dated on 23/05/2016 conducted by OSH Safety Consultancy (M) Sdn. Bhd. The mill's processes that significant for chemical hazard identified accordingly. However, seen the assessment conducted does not covers the chemical store that may has potential risks to an employee as a result of exposure to chemicals hazardous to health and to identify the hazards posed by each chemical substance used, stored, handled or transported within the place of work. There is no justification on why the process was excluded. This is against the requirement stipulated in Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazards to Health) Regulations 2000 - Part IV – Assessment of Risk to Health - Regulation 9. Assessment of risk to health. The reference also made against Assessment of The Health Risks Arising from The Use of Hazardous Chemicals in The Workplace (A Manual of recommended Practice 2 nd Edition)-Under the Occupational Safety and Health Use and Standard of Exposure of Chemicals Hazardous to health – Regulations 2000 [P.U. (A) 1311].			
			
Lead Assessor signature:			
Date: 03/08/2017			
Root Cause Analysis and extent: (To be filled by Auditee)			
Management has overlooked of this and didn't include chemical store for the CHRA.			
Corrective/Preventive Actions: (To be filled by Auditee)			
Management has immediately informed the CHRA assessor to conduct assessment at chemical store and will ensure chemical store to be included in future assessment.			
Evidence of Conformity:			
The 3 rd party assessor was invited on 05/08/17 through an official letter as to perform the assessment for the missed area and to re-validated the existing CHRA for adequacy. Since the report from assessor may takes more than a month, therefore the updated CHRA will be send to CUC for verification at later stage.			
Review of evidences submitted to CUC:			
The immediate corrective action addressed found satisfactory to close the major non-conformity and the			

updated CHRA will be desk review upon submission from client.	
Conclusion by CUC: Major non-conformity is closed.	
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN)	
ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Lead Assessor signature: 	Date: 07/08/2017

NC number:	NC-02		
Client name:	KLK Batu Lintang Complex		
Date raised:	03/08/2017		
Major or Minor:	Minor	Site:	Subur Estate
Raised by:	Mohd. Razaleigh	Deadline:	Before Next ASA
Aspect of standard: 2.1.3 A mechanism for ensuring compliance shall be implemented			
Evidence of non-conformity: During filed visit at Main Division of Subur Estate, interviewed 3 sprayers and a Mandore [all are Malaysian]. They were found with sufficient knowledge of GAP and safety at worksite. However, when cross checked of the sprayers medical surveillance report, it was found the sampled sprayers were not sent for medical surveillance for year 2017 as per the schedule. This was also not captured and track in the annual legal compliance monitoring by the estate management.			
			
Lead Assessor signature:			
Date: 03/08/2017			
Root Cause Analysis and extent: (To be filled by Auditee)			
Corrective/Preventive Actions: (To be filled by Auditee)			
Evidence of Conformity:			
Review of evidences submitted to CUC:			
Conclusion by CUC:			
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN)			
ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input type="checkbox"/>			
Lead Assessor signature:	Date:		


NC number:	NC-03		
Client name:	KLK Batu Lintang Complex		
Date raised:	03/08/2017		
Major or Minor:	Minor	Site:	Batu Lintang Estate
Raised by:	Mohd. Razaleigh	Deadline:	Before Next ASA
Aspect of standard: 4.4.1 An implemented water management plan shall be in place.			
Evidence of non-conformity: Based on the agronomist report from AAR for 2016/17, the estate requires to maintain water table height. During document verification, seen the estate has established water management plan however, there is no monitoring results available against the management plan.			
 Lead Assessor signature: Date: 03/08/2017			
Root Cause Analysis and extent: (To be filled by Auditee)			
Corrective/Preventive Actions: (To be filled by Auditee)			
Evidence of Conformity:			
Review of evidences submitted to CUC:			
Conclusion by CUC:			
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input type="checkbox"/>			
Lead Assessor signature:		Date:	



NC number:	NC-04		
Client name:	KLK Batu Lintang Complex		
Date raised:	03/08/2017		
Major or Minor:	Minor	Site:	Subur Estate, Batu Lintang Estate and POM
Raised by:	Fadly Ahmad	Deadline:	Before Next ASA
Aspect of standard: 5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.			

Evidence of non-conformity: Based on the site visit to tube well in Subur Estate, workshop in Batu Lintang Estate and scrap iron yard in mill, the audit team observed empty chlorine container, used grease container, and used paint container / a container with petrol at the respective sites. In Batu Lintang Estate, seen traces of fertilizer and oil spilled from the fertilizer vehicle which happened during the unloading of fertilizer from the external supplier's vehicle.	
 Lead Assessor signature: Date: 03/08/2017	
Root Cause Analysis and extent: (To be filled by Auditee)	
Corrective/Preventive Actions: (To be filled by Auditee)	
Evidence of Conformity:	
Review of evidences submitted to CUC:	
Conclusion by CUC:	
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input type="checkbox"/>	
Lead Assessor signature:	Date:


4.3.2 Non-Conformity Identified during the last ASA, not applicable for MA


The following NC's were raised during the last audit and the status was reviewed as indicated below.

Non-conformity number: 01/2016		
Project No: 827591		
Site: KLK Berhad - Batu Lintang Complex (Batu Lintang POM/Buntar Estate)		
Date: 24 th June 2016		
Part of scope: Principle 6		
Requirement reference: 6.5.3 (Minor) Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders).		
Type of Non-conformity: Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/>		Verification by Lead Auditor: Muhd Jamalul Arif

Time Line to Close the Non-conformity 23 rd June 2017	Pre-Conditioned: Main/Re-Assessment: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	Annual Surveillance: Major (60 days): <input type="checkbox"/> Minor (365 days): <input checked="" type="checkbox"/>	
Non-conformance (objective observation and statement of non-conformance): Sighted the house condition is not properly monitored as per monthly inspection checklist. During site visit, observed the lineside is not in hygienic condition including the management of domestic waste, seen waste in drainage system and lineside compound. Also found broken windows and inappropriate working tool kept in few worker houses during the site visit. From interview carried out with the house resident, awareness on above issue was found still deficient.		
Root Cause Analysis and extent: (To be filled by Auditee) Workers lack of awareness on the importance of cleanliness surrounding lineside.		
Corrections: Kindly provide the extent (To be filled by Auditee) Awareness training has provided to the workers and activity such as Gotong-Royong was carried out. Weekly monitoring of lineside will be conducted by the management.		
Corrective/Preventive Actions: (To be filled by Auditee) The management will continue conduct awareness training and weekly monitoring of the lineside.		
Review of evidences submitted to CUC: The mill management has submitted presentation on the action taken for lineside of both mill and estate.		
Conclusion by CUC: The action taken was satisfactorily addressed and will be verified on site during ASA 04.		
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
Lead Auditors' Name: Muhd Jamalul Arif Signature: 	Date: 20 th June 2016	
Company's Representative Acceptance: Name: Ms. Lee Kuan Yee Signature: 	Date: 02/08/2017	

4.3.3 Observations Raised During this Audit

Client name:	KLK Batu Lintang Complex		
Date raised:	03/08/2017		
Raised by:	Mohd. Razaleigh		
Aspect of standard	4.6.5 Pesticides shall only be handled, used, or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).		
During visit to Ghim Koon division, it was told to auditor there was no spraying activities due to manpower switching to other jobs. However, when the audit team visited the "Washing Room", the PPE attires for sprayers not effectively maintained as seen only 3 suits of apron and a piece of rubber glove available. Based on the sprayer list, there are total 4 sprayers.			
Assessors Signature		Date	03/08/2017

Client name:	KLK Batu Lintang Complex		
Date raised:	03/08/2017		
Raised by:	Ashikin Shafinaz		
Aspect of standard	2.1.1 Evidence of compliance with relevant legal requirements shall be available.		
<p>Permit for electrical deduction issued by Jabatan Tenaga Kerja (JTK) is not available in place. Verified letter of 'Permohonan Permit Untuk Membuat Potongan Bil Electric Dan NUPW Daripada Gaji Pekerja' dated 22/02/2017 requested by Mr. Chan Yik Loon (Subur Estate Manager) and successfully received by Pejabat Tenaga Kerja Taiping dated 09/03/2017. The first application is granted for union deduction only as verified letter from Mr. Rahmat Ismail (Pengarah Tenaga Kerja Negeri Perak Darul Ridzuan) JTK.PK.(1)PMT(SEK.24)10802 Jld.9(14) dated 09/05/2017 and received by estate management dated 25/05/2017. Management sent the 2nd request for electrical deduction as verified letter of 'Permohonan Permit Untuk Membuat Potongan Bil Electric Daripada Gaji Pekerja' dated 27/06/2017 signed by Mr. Chan Yik Loon (Estate Manager)</p> <ul style="list-style-type: none"> • 18 workers from Subur Div. • 7 workers from Sungai Pulau Div. • 23 workers from Norseman Div. <p>Has signed 'Peretujuan Pekerja Untuk Potongan Gaji Bagi Lain-Lain Jenis Potongan Seperti (Api)'</p>			
Assessors Signature		Date	03/08/2017

4.4 Issues that were raised during the Stakeholder Consultation, if any

Stakeholders that are likely to have information relevant for the evaluation was identified during the evaluation planning process.

- For Main and Re-Assessments, a 30-day Stakeholder consultation announcement is published on the RSPO website prior to the audit. The same announcement is circulated by the client and independently by the Control Union prior to the audit.
- For subsequent Annual Assessments, it is based on stakeholders reading the approved public summary reports available on the RSPO website, the client's procedures in receiving on-going feedback or if feedback was sent directly to Control Union prior to an audit or thorough RSPO complaints procedures.

Prior to and during all assessments (Main and annual), the audit team will seek to gather evidence about all relevant principles and criteria directly from stakeholders including statutory bodies, indigenous peoples, local communities (including displaced communities, if any), workers and workers' organizations [including migrant workers], smallholders, and local and national NGOs.

During each assessment, the audit team will review the company's implemented procedures in receiving feedback and will execute field visits and interviews. Not limited to the following questions, any feedback received is reviewed and summarized in this summary report for either Part 2 – Partial Certification or Part 4 – Assessment Findings above or noted below, if applicable:

1. Do you have any remarks on the RSPO standard?
2. What is your relation with the applicant?
3. Are there any plantation or mill management practices that affect you?
4. Do you consider any management is in conflict with the RSPO principles and criteria?
5. Do you have any suggestions for management?
6. Are you aware of any HCV in the plantations or in adjacent land?
7. Are you aware of any endangered or rare species?
8. Are there any adverse (or positive) effects on local communities?
9. Additional comments?
11. Do you have any comments about the assessment team and would you like to meet with them?
12. Do you have any comments for the client's management of any other plantations?

RSPO Principle	Stakeholder comment	CUC response [In case this has resulted in an NC, make reference to the NC number]
1 – Commitment to Transparency	<p>This stakeholder comments are including all 8 main principles complied with RSPO Principles & Criteria assessed during consultation. Below are the cited responses gained during consultation:</p> <ol style="list-style-type: none"> 1. Company give good commitment in maintaining relationship with stakeholder. Stakeholder are being invited to the annual consultation with company’s management. 2. Business relationship with contractors are going on well without any dispute. Contractors are being paid after conducting the respective works required. 3. The safety of workers at working place and housing area is guaranteed. PPE are provided free of charge by estate and mill management 4. Workers have no major concern and are happy with KLK management. 5. With the implementation of RSPO, workers gained benefits in a lot of aspects such as in term of welfare, safety, wages etc. 	All are positive findings
2 - Compliance with Applicable Laws and Regulations		
3 - Commitment to Long-Term Economic and Financial Viability		
4 - Use of Appropriate Best Practices by Growers and Millers		
5 - Environmental Responsibility and Conservation of Natural Resources and Biodiversity		
6 – Responsible Consideration Of Employees, And Of Individuals And Communitis Affected By Growers And Mills		
7 - Responsible Development of New Plantings		
8 - Commitment to Continuous Improvement in Key Areas of Activities		

PART 5: RSPO SUPPLY CHAIN CERTIFICATION

The palm mill mentioned in the scope of the audit was audited against the requirements of the following:
RSPO Supply Chain Certification Systems. November 2014
RSPO Supply Chain Certification Standard. November 2014

5.1 POM Included In The Scope Of The Audit

Name Palm Oil Mill	Mill Capacity	Location	Supply Chain Model
(POM)	MT/Hour	Address	(IP or MB)
KLK Batu Lintang POM	25	09800 Serdang, Kedah. Malaysia.	IP

5.2 Confirmation Of The Company's Summary Of Annual Certified Volume Of RSPO Certified Palm Oil And Palm Kernel Over A Specified Period

Product CU Code	CPO (MT)	PK (MT)	Specified 12 month period
POM 1	35,193	7,518	Actual volumes between July 2017 – June 2018 . See also 1.6 above. (forecasted certified volume).

5.3 Summary Report Including A Brief Description Of The Scope Of Certification

The mill has documented system for tracking the movement of RSPO SCC products. Since there is no outside crops receive by this mill, therefore segregation of certified and non-certified products not applicable. There is no mill activity outsourced.

There is a SOP established for supply chain process control. Since the mill only adopts to IP Module, therefore the procedures are seen clearly indicates the required mechanisms to ensure the objective of IP is monitored and achieved.

The mill assistant Mr. Vikram is the person having overall responsibility for and authority over the implementation of RSPO SCC. His responsibility stated in the organization folder. Marketing department decides whether there is a need to purchase FFB from other certified sources to ensure the mill is running on acceptable capacity. This is clearly mentioned in the SOP 18.0 [page 1].

Currently there is an externally sourced certified sustainable FFB supplier Genting Selama Estate with an annual crop projection of 28-30MT/month. Verified the supplier's RSPO certificate valid till 2019. There is a SOPs established for supply chain process control.

Since the mill only adopts to IP Module, therefore the procedures are seen clearly indicates the required mechanisms to ensure the objective of IP is monitored and achieved. There is also a storage tank map available for 3 tanks for CSPO [2x500MT and 1x1000MT], there are 2 kernel silo tanks x 160MT.

5.4 Monthly Records of Certified and Uncertified FFB Received Since the Last Audit

In case of Main Assessment, it shall be the last 12-month figure.

Figure are actual FFB production on monthly basis

No	MONTH-YEAR	Certified Supply Bases (MT)	Uncertified Supply Bases (MT), if any	Total (MT)
1	July 2016	9602.03	0.00	9602.03
2	August 2016	10924.07	0.00	10924.07
3	Sept. 2016	9268.67	0.00	9268.67
4	October 2016	9674.94	0.00	9674.94
5	Nov. 2016	9783.36	0.00	9783.36
6	December 2016	9967.04	0.00	9967.04
7	January 2017	10739.71	0.00	10739.71

8	February 2017	10603.64	0.00	10603.64
9	March 2017	10341.00	0.00	10341.00
10	April 2017	13490.48	0.00	13490.48
11	May 2017	14277.07	0.00	14277.07
12	Jun 2017	12073.60	0.00	12073.60
	TOTAL	130745.610	0.00	130745.610

5.5 Monthly Records of Certified CPO and PK Since the Last Audit

In case of Main Assessment, it shall be the last 12-month figure.

Figure are actual CPO and PK production on monthly basis

No	MONTH-YEAR	Certified CPO (MT)	Certified PK (MT)
1	July 2016	2234.800	414.682
2	August 2016	2541.438	457.875
3	September 2016	2055.669	485.607
4	October 2016	2143.274	429.943
5	November 2016	2072.111	398.271
6	December 2016	2111.933	407.948
7	January 2017	2280.154	520.116
8	February 2017	2218.511	504.775
9	March 2017	2164.949	467.942
10	April 2017	2739.452	620.735
11	May 2017	2967.852	677.372
12	Jun 2017	2539.737	590.437
	TOTAL	28069.880	5975.703

5.6 Records of Certified CPO & PK Sold under GreenPalm to Buyers since the Last Audit, if Any

In case of Main Assessment, it shall be the last 12-month figure.

Figure are actual Certified CPO & PK Sold under GreenPalm to Buyers on monthly basis

No	Buyers Name	GreenPalm Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	Nil			
2				

5.7 Records of Certified CPO & PK Sold under UTZ eTrace to Buyers since the Last Audit, if Any

In case of Main Assessment, it shall be the last 12-month figure.

If this is an Annual Surveillance Assessment, the figures used are since the last audit.

The transactions were sighted from the clients registered UTZ eTrace Account.

No	Buyers Name	UTZ eTrace Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	Cargill Palm Products Sdn Bhd	TR-12bc2ce8-a076	501.86	
2	FELDA IFFCO SENDIRIAN BERHAD	TR-85d25305-d4b4	301.7	
3	Kuala Lumpur Kepong Berhad / KLK Oleo	TR-6f2fec36-dd0c	500	
4	Intercontinental Specialty Fats Sdn Bhd	TR-36edf500-8ec2	502.49	
5	Cargill Palm Products Sdn Bhd	TR-658aa631-bf4d	499.74	
6	Cargill Palm Products Sdn Bhd	TR-4688cd87-60ef	500	
7	Cargill Palm Products Sdn Bhd	TR-3dff9774-f5d1	500	
8	Intercontinental Specialty Fats Sdn Bhd	TR-d2bae41a-d847	800	
9	Cargill Palm Products Sdn Bhd	TR-6dd9881b-a158	502.38	
10	Cargill Palm Products Sdn Bhd	TR-04a7475a-09d6	500	

11	Cargill Palm Products Sdn Bhd	TR-1c2a9cc1-cbbe	501.85	
12	Cargill Palm Products Sdn Bhd	TR-92daafd4-da2a	200	
13	Unitata Berhad	TR-c2a49b3f-e059	100.58	
14	Kuala Lumpur Kepong Berhad / KLK Oleo	TR-51b7fedb-cdf0	353.27	
15	Unitata Berhad	TR-ae4e16b4-deae	500	
16	Unitata Berhad	TR-e5915583-da08	500	
17	Cargill Palm Products Sdn Bhd	TR-c8f901d7-b58f	500	
18	Unitata Berhad	TR-f32d0337-35ea	500	
19	Unitata Berhad	TR-1dab0668-4467	500	
20	Unitata Berhad	TR-6a91397b-ae7e	500	
21	Cargill Palm Products Sdn Bhd	TR-c22af441-9995	501.62	
22	Unitata Berhad	TR-873111ee-556a	300	
23	Unitata Berhad	TR-e4737546-d14f		400
24	Unitata Berhad	TR-0a54bae4-5aff		400
25	Unitata Berhad	TR-cc9da40a-c45f		400
26	Astra-KLK Pte Ltd	TR-59c93c66-1a4f	502.43	
27	Cargill Palm Products Sdn Bhd	TR-2a6de112-ae3a	508.12	
28	Cargill Palm Products Sdn Bhd	TR-83381f24-d4ab	508.26	
29	Unitata Berhad	TR-56346574-9cce		500
30	FELDA IFFCO SENDIRIAN BERHAD	TR-cd897d69-b23f	250	
31	Cargill Palm Products Sdn Bhd	TR-d9075063-be86	500	
32	Cargill Palm Products Sdn Bhd	TR-79f4fc14-57f6	500	

5.8 Non-Conformities Identified during this Audit

Timeline for compliance:

- All non-conformances observed during an audit shall be classified as 'major' since all requirements for Supply Chain certification have to be met before granting certification.
- For Main Assessments, all non-conformances shall be addressed satisfactorily by the operation before certification may be granted by the certification body. If non-conformances are not addressed within three (3) months of the audit, a full re-audit shall be required. The certification body shall assess the effectiveness of the corrective and/or preventive actions taken before closing out the non-conformances.
- For Annual Surveillance Assessments, non-conformances raised after the certification are serious (i.e. must be considered as a major) and the integrity of the RSPO Supply Chain Certification is at risk. A maximum of one month is to be given to the certified client to satisfactorily address the non-conformance. The certification body shall assess the effectiveness of the corrective and/or preventive actions taken. Should the nonconformance not be addressed within the one-month maximum timeframe, a suspension or withdrawal of the certificate and a full re-audit may be necessary.
- If no non-conformances are observed at an audit or when the corrective action plan has satisfactorily addressed raised non-conformance(s), the client shall be recommended for (re-) certification.

No NC's were raised for this audit.

NC Number:	Nil
Date:	
Reference to standard:	
Standard requirement:	
Evidence of non-compliance:	

5.9 Description of the Organizational Management Systems

Including organizations, management, and operational systems to ensure compliance with the RSPO Supply Chain Certification Systems and Standards as detailed above

Verified delivery order, receiving and dispatch slips, notice paper and weighbridge tickets that effectively carries the information of applicable RSPO SCC model. Sampled records from Dec'16 to Apr'17 was verified for FFB tickets from 3 estates, weighbridge tickets for CSPO, CSPKO and FFB. There is no evidence the mill practicing MB module.

The mill only receives FFB from KLK owns plantations and 2 outsourced suppliers – Genting Selama] whom are RSPO certified, therefore it was assessed for IP module. Based on the documentation verification, interview with mill workers and visit to weighbridge station. However, due to the request from buyer, the mill sold CSPO & CSPKO under SG where the internal documents such as weighbridge tickets are stamped as “Certified Sustainable – CPO (SG)”. Sampled:

- Cargill Palm Products S/B – CPO SG -A100526 – 23/01/17
- Cargill Palm Products S/B – CPO IP -A103828 – 29/03/17
- Unitata Berhad – PK-SG -A100841 – 30/01/17

The marketing department to register the transaction of CSPO / CSPKO in the Palm Trace during physical deliveries and records maintained accordingly. The Palm trace documents and other relevant records emailed to buyer and mill. The mill eventually deducts the confirmed quantity of traded volume from their accounting system accordingly. The status in Palm Trace should be as “IP”, however due to the lapses in Palm Trace platform it allows to downgrade to SG. The KLK sustainability team has “WhatsApp” evidences that they have communicated this issue with RSPO, Ms. Prema.

5.10 Final Certification decision by Control Union for the RSPO SCCS Audit of the POM

Recommendations made:	Yes
Summary of non-compliances:	Nil
Certification status of client:	The POM included in the scope of this audit demonstrated full compliance with the RSPO SCCS. With effect from the certification date given in the RSPOPC certificate, this POM mentioned in the scope of this report is considered to be certified in accordance with the RSPO SCCS.

PART 6: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

6.1 Date of next ASA

The provisional date for the next ASA is: July 2018

6.2 Date for Closure of Non-Conformities

See sections above for details of NC's, if any

- All major NCs to be closed by: 60 days from the issuance date
- All minor NCs to be closed by: Before next surveillance audit

6.3 Signing by the Client

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document.

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

Acknowledged by:

Name: Mr. Sin Chuan Eng
Position: Head of Sustainability
Date: 18/09/2017



Signature

6.4 Signing by the Lead Auditor

I the undersigned, being the Lead Auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

Acknowledged by:

Name: Mahaswaran Maliyapan
Position: Lead Auditor
Date: 07/08/2017



Signature

6.5 Signing by the Certifier

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

Acknowledged by:

Name: Nor Atiqah
Position: Certifier
Date: 18/09/2017

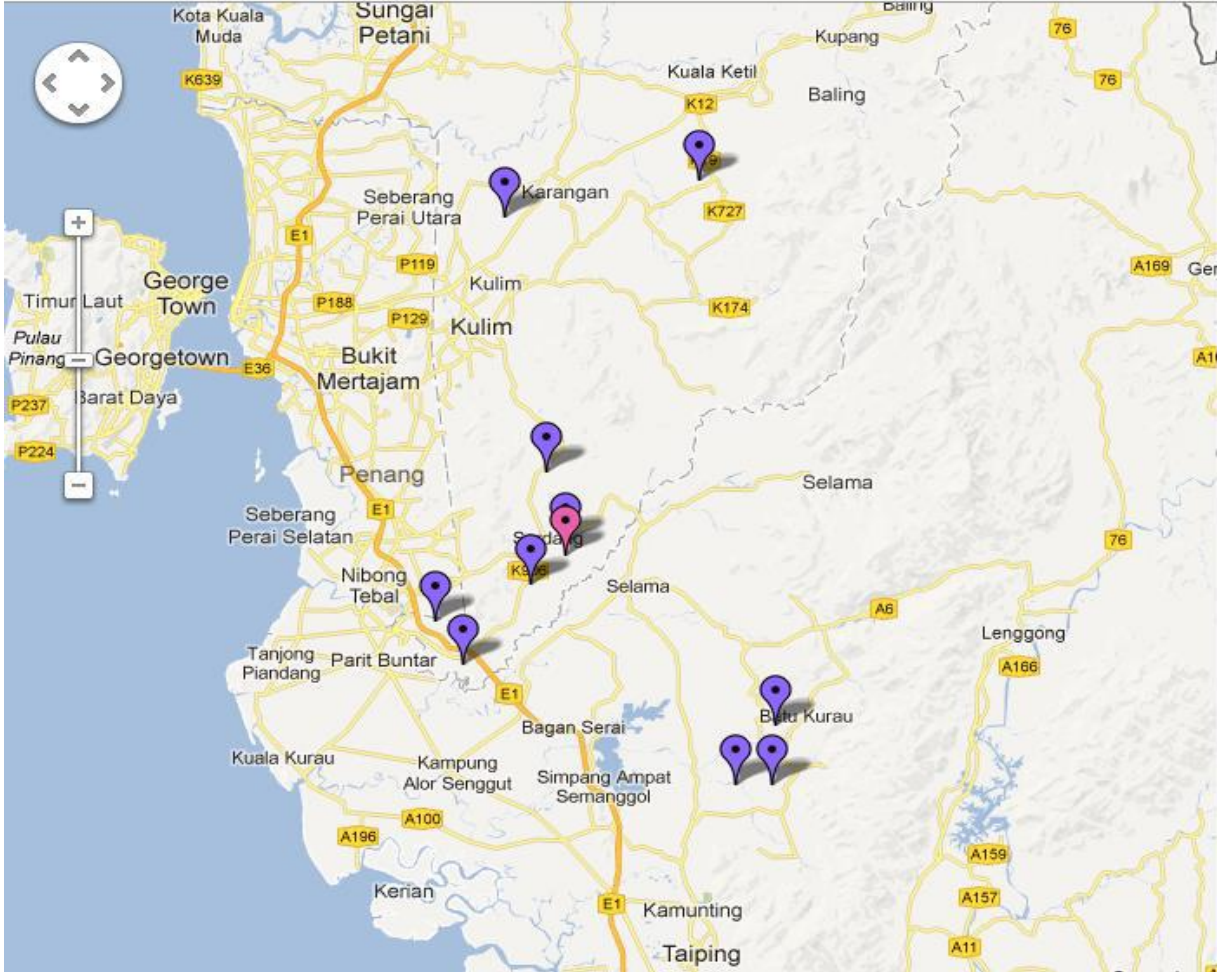


Signature

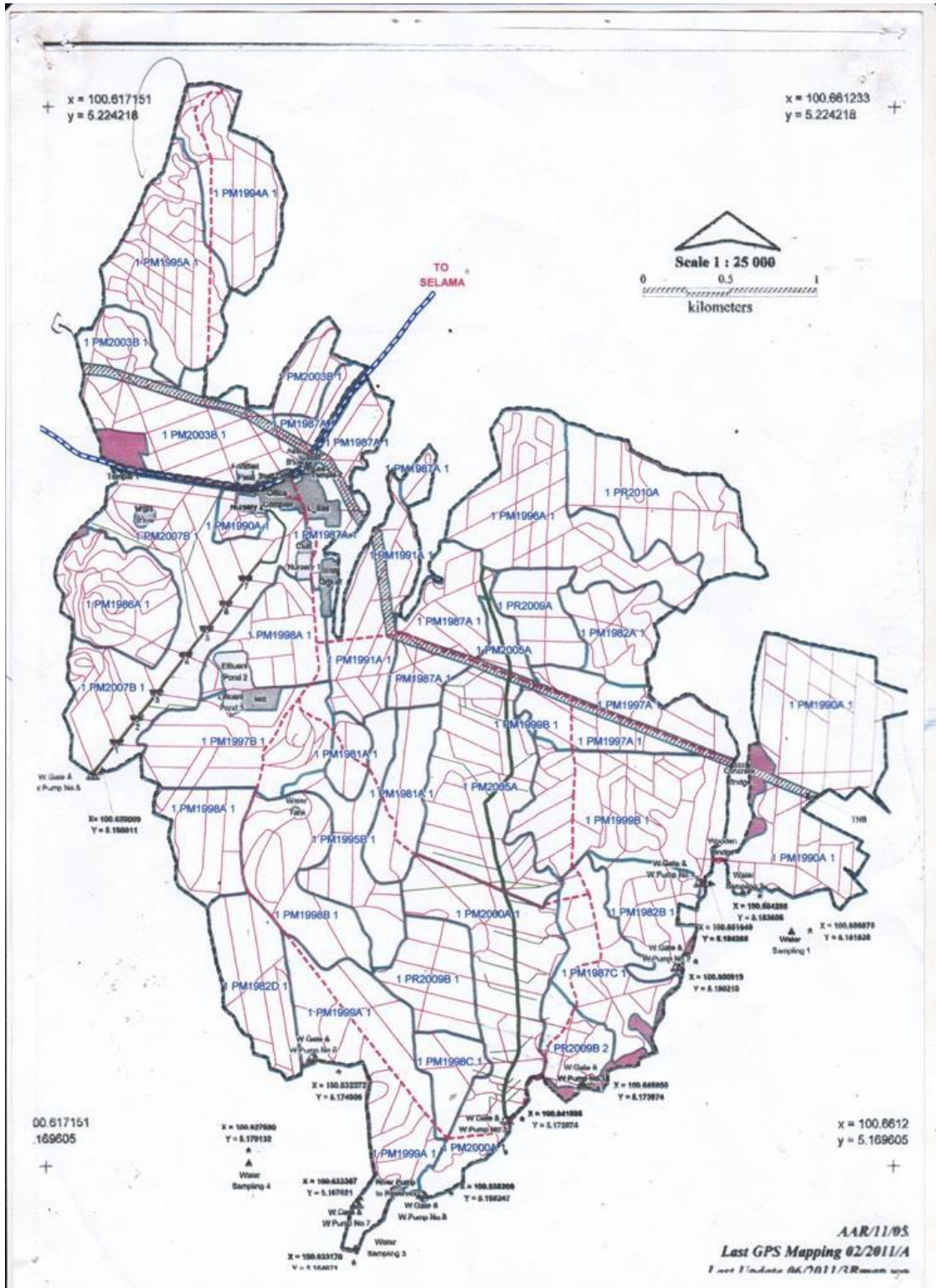
PART 7: APPENDICIES

Appendix 1: Location Map for this Certification Unit

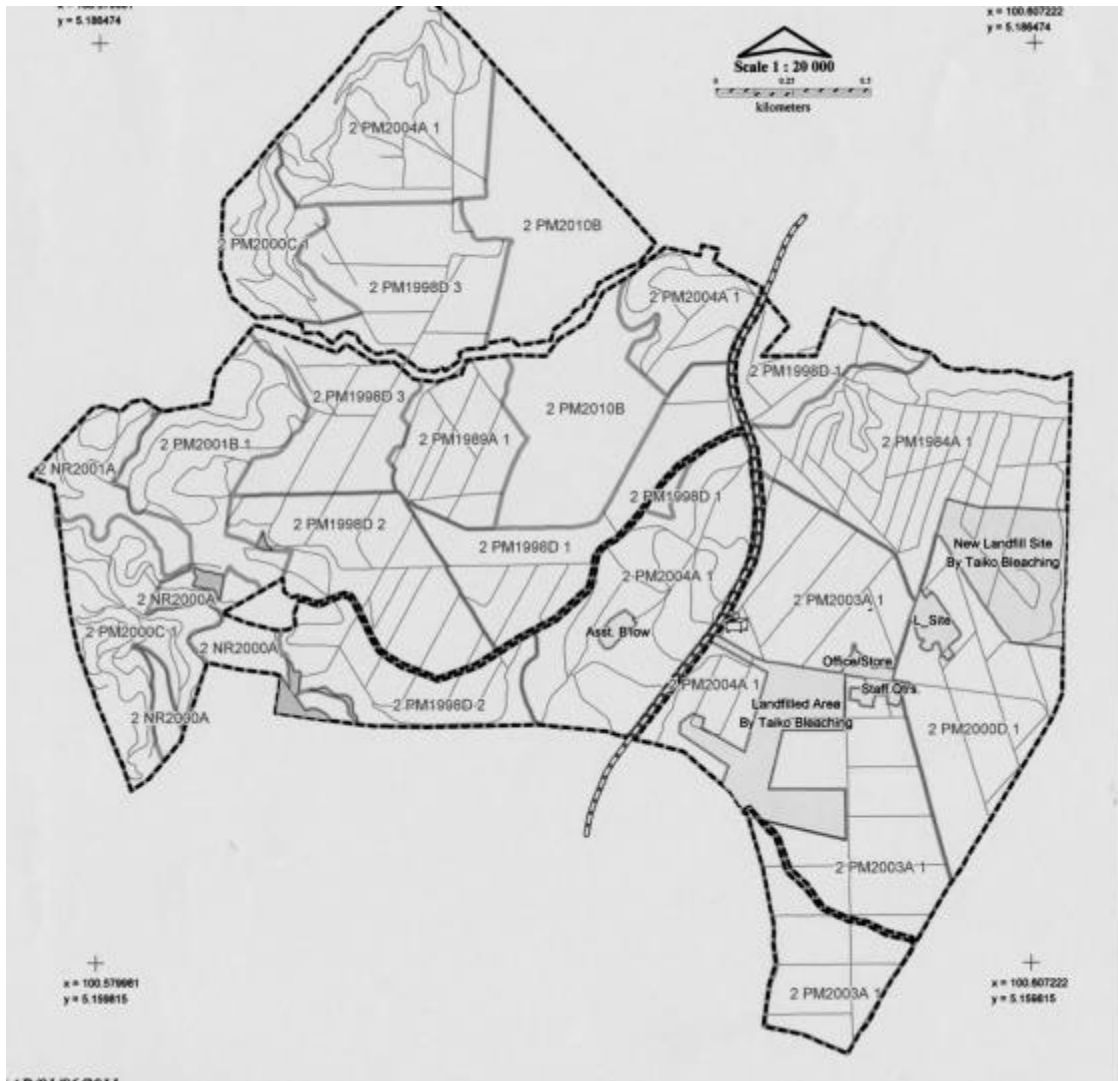
From 1.9, the location map(s)



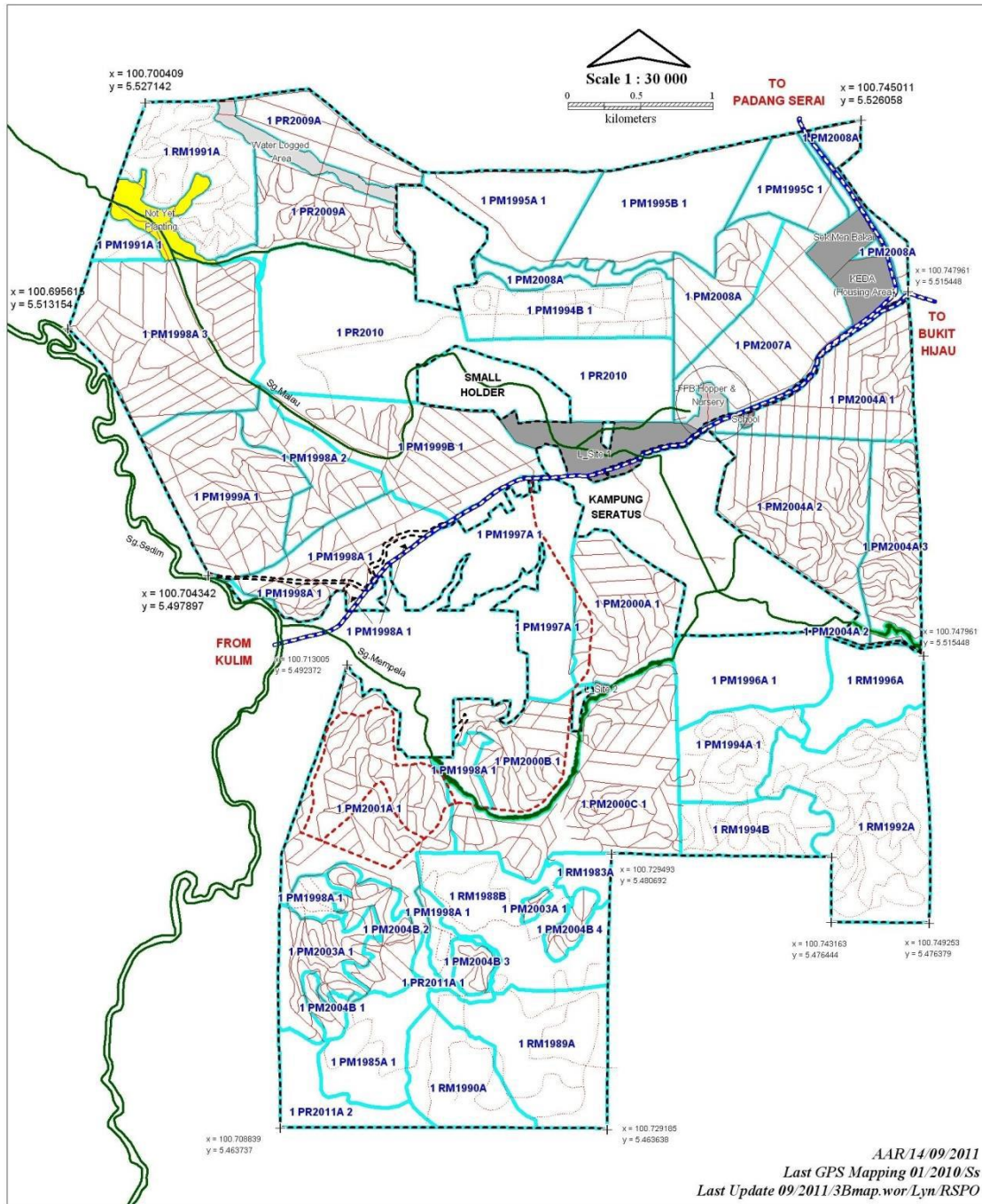
Batu Lintang Estate



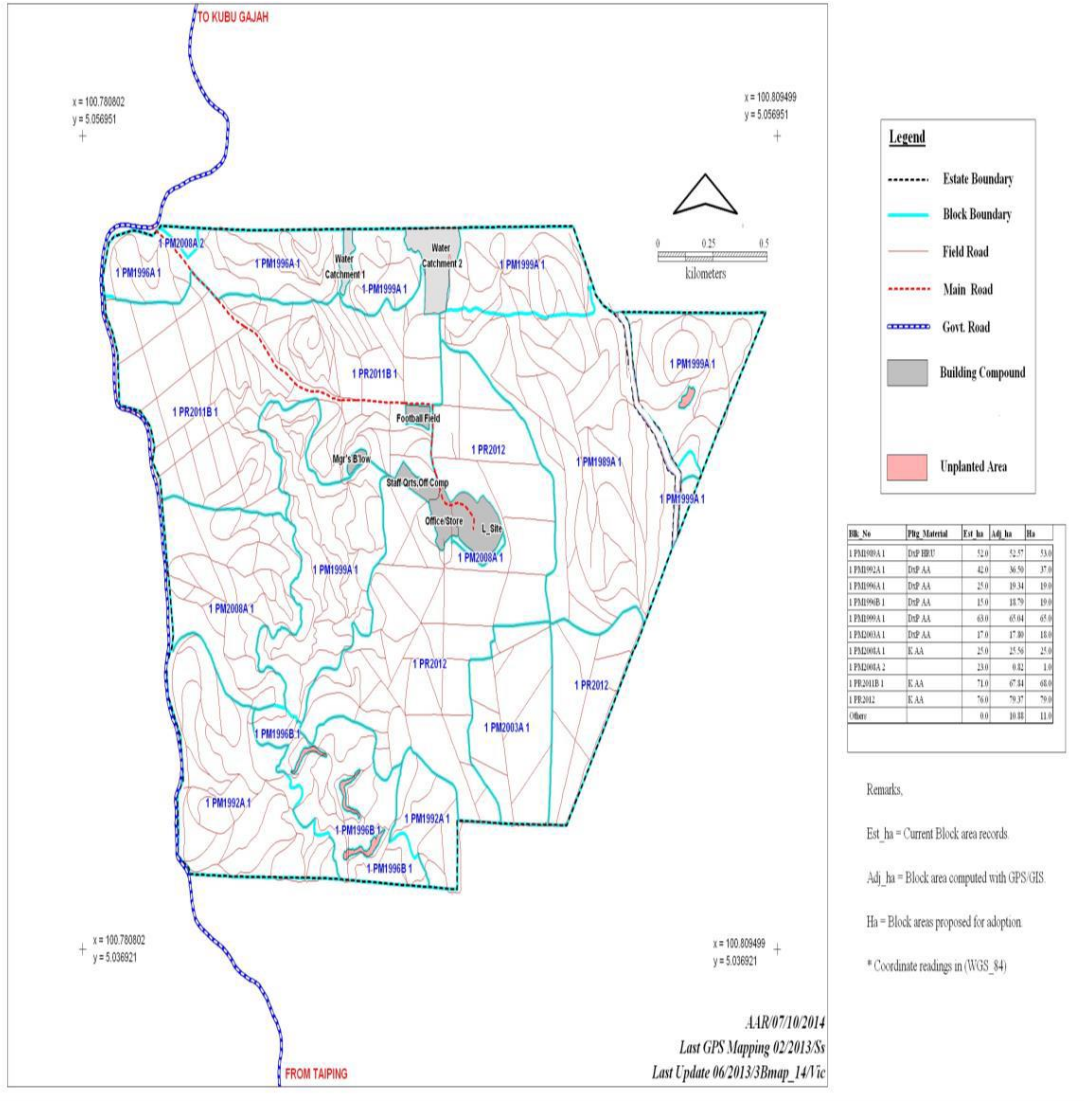
Buntar Estate



Pelam Estate



Subur Estate



Appendix 2: Summary of GHG Emissions

All data inputs and the use of RSPO PalmGHG Calculator (3.0) have been verified with the final summary of the net GHG emissions (tCO₂e/tCPO) figure in relation to C5.6

Calculation option applied for the reporting: Full Version / Apply November 2005 cut off for LUC / Exclude LUC Emission [Select as applicable]

GHG EMISSION DATA FOR YEAR 2016

Summary of Net GHG Emissions

Emissions per Product	tCO ₂ e/t Product
CPO	0.81
PK	0.81

Extraction	%
OER	22.04
KER	4.49

Production	t/yr.
FFB processed	107054.85
CPO Produced	23594.382

Land use	ha
OP planted area	6706.8
OP planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	4.2
Total	6706.8

Summary of Field Emissions and Sinks

Crops	Emissions				Sinks			
	Own	Group	3rd Party	Total	Own	Group	3rd Party	Total
tCO ₂ e	tCO ₂ e / t FFB	tCO ₂ e / t FFB	tCO ₂ e	tCO ₂ e / t FFB	tCO ₂ e	tCO ₂ e / t FFB	tCO ₂ e	tCO ₂ e / t FFB
Emissions	-	-	-	-	-	-	-	-
Land Conversion	0.57	-	-	0.57	58702.43	-	-	-
*CO ₂ Emissions from Fertiliser	0.07	-	-	0.07	7609.87	-	-	-
**N ₂ O Emissions	0.04	-	-	0.04	4568.18	-	-	-
Fuel Consumption	0	-	-	0	497.36	-	-	-
Peat Oxidation	0	-	-	0	0	-	-	-
Sinks	-	-	-	-	-	-	-	-
Crop Sequestration	-0.56	-	-	-0.56	-	-	-	-
Conservation Sequestration	0	-	-	0	0	-	-	-
Total	0.13	-	-	0.13	13199.56	-	-	-

Summary of Mill Emissions and Credits

<i>tCO₂e</i>	<i>tCO₂e</i>	<i>tCo₂e/t FFB</i>
<i>Emissions</i>	-	-
<i>POME</i>	9032.92	0.08
<i>Fuel Consumption</i>	78.39	0
<i>Grid Electricity Utilisation</i>	0.28	0
<i>Credits</i>	-	-
<i>Export of Grid Electricity</i>	0	0
<i>Sales of PKS</i>	0	0
<i>Sales of EFB</i>	0	0
<i>Total</i>	9111.59	0.09

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0
Divert to anaerobic digestion	100

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100
Divert to methane capture (flaring)	0
Divert to methane capture (electricity generation)	0

Appendix 3: GHG assessment for new plantings

GHG assessment report for new plantings developed as per 'Chapter 6 – Reporting of GHG assessment for new plantings' within RSPO GHG Assessment Procedure for New Plantings Version 3 was verified by the auditors as part of this evaluation in relation to C7.8

Note: Extract the GHG assessment for new plantings developed by the client under 'Chapter 6 – Reporting of GHG assessment for new plantings' in RSPO GHG Assessment Procedure for New Plantings Version 3 and list below.

Appendix 4: List of Abbreviations	
BRC	British Retail Consortium
CHRA	Chemical Health Risk Assessment
CoC	Chain of Custody
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
CU	Control Union
CUC	Control Union Certifications
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
ERT	Endangered Rare or Threatened species
EU	European Union
FFB	Fresh Fruit Bunch
FSC	Forest Stewardship Council
FSC COC	Forest Stewardship Council Chain of Custody
FSC FM	Forest Stewardship Council Forest Management
GGL	Green Gold Label
GMP	Good Manufacturing Practice
GOTS	Global Organic Textile Standard
GTP	Good Trading Practice
GPS	Global Positioning System
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HCVF	High Conservation Value Forest
IPM	Integrated Pest Management
JAS	Japanese Agricultural Standard
MDC	MDC Publishers Sdn Bhd (Company Name)
MSDS	Material Safety Data Sheet
NC	Non Conformity
OE	Organic Exchange
OSH	Occupational Safety and Health
OSHAS	Occupational Safety and Health Assessment Scheme
P&C	Principle and Criteria
PEFC	Programme for the Endorsement of Forest Certification
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
RSPO NI	Roundtable on Sustainable Palm Oil National Interpretation
SA8000	Social Accountability 8000
Sdn Bhd	Sendirian Berhad
SIA	Social Impact Assessment
SOCISO	Social Security Organisation
SOP	Standard Operating Procedure
USDA/NOP	United States Department of Agriculture – National Organic Program
MT	Metric Tonnes
WHO	World Health Organization